



Daily Report

East Europe

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NOTICE TO READERS: All material in this volume previously disseminated in electronic form.

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CSCE Member Country Leaders Address Summit

UK Prime Minister Major

LD0512224994 Budapest MTV Television Network in Hungarian 1525 GMT 5 Dec 94

[Speech by British Prime Minister John Major at the CSCE summit in Budapest—live; Major speaks in English with superimposed Hungarian translation]

[FBIS Translated Text] Madame Chairman! I would like first to give thanks to President Arpad Goncz and his colleagues for the warm reception and for the reception of the Hungarian Government.

The CSCE has laid down certain basic principles. These basic principles are extremely important: The respecting of legal statehood, the appropriate manner of treating the minorities, the maintaining of peace, the respecting of borders, the refraining from violence. This is a basic principle determining the stable system of relations of all our countries and these guarantee security for all of us.

The CSCE shows what it is capable of. In the course of its mission in the Baltic states, in the course of its role in Moldova—as we have seen—it proved to be a useful instrument in the crisis zones in the course of handling the crisis.

I would like to draw your attention, in particular, to the work of the Commission on Human Rights, to the work of keeping a watch over human rights. But we all know that prevention is much more effective than the cure. The meeting of the CSCE parliament now strengthens the spirit of democracy and consolidates to the full extent a democratic system of institutions. This has to be the basis for the partner-like relationship between its nations.

For the UK the above-mentioned five basic principles are extremely important; they constitute the basic principle of the CSCE. This is what led us to an indivisible Europe. The prevention of the Karabakh conflict, the elections in accordance with the CSCE's basic principles, the limitation of armament, military nonescalation, and finally the solution of minority problems on the basis of the CSCE's basic principles, which is I think one of the cardinal issues of our present summit meeting. These were all factors of success in the history of the CSCE.

The UK ascribes very great significance to the nuclear ban treaty signed by Ukraine, Belarus, and Kazakhstan. This is more than symbolic. There is a need for an action plan, to agree about the institution of an early warning system, which calls advance attention to the potential conflicts in the world.

Let me now devote a few words to something that is in the minds of everyone sitting here, and this is the Bosnian conflict. Unfortunately, we have to reckon with the regrettable developments in the Bosnian reality. We cannot sit calmly at this table while war is raging in

Bosnia. But in the Bosnian war process none of the sides can be really calm, since none of them is really victorious, while shooting continues in the air and on the ground. We do not have much time left.

The British Government would like UNPROFOR [UN Protection Forces] to continue its peacekeeping mission. But in the midst of the battles on the ground, the Bosnian Serbs are preventing movement by those providing aid and the peacekeeping forces. It is no good sending peacekeeping forces to this region if they are unable to fulfill their humanitarian and peacekeeping role. What is needed first of all, is a total cease-fire throughout Bosnia and that they should let in the UN troops and the forces providing aid. It is an illusion for us to think that if these two conditions are not fulfilled, if they are not accepted by the warring sides, then the discussions could be successful. The Contact Group, too, can only act successfully on this basis.

The parties in the conflict must accept a negotiated settlement. But first of all, there is a need for a peace negotiation whose importance is much greater, whose stakes are much greater.

The British and French foreign ministers yesterday conducted a discussion with President Milosevic in Yugoslavia. They drew his attention to how great is his own responsibility in achieving the soonest possible ending of the Bosnian conflict. He accepted the all-power Contact Group's plan which would guarantee the territorial integrity of Bosnia-Herzegovina, and he will try to exert pressure on the Bosnian Serb minority in the interest of a cease-fire. So, President Milosevic yesterday affirmed that he would support the plan of the all-power Contact Group.

We also drew the attention of President Milosevic to the need for him to try and get from the Serbs, as soon as possible, a cease-fire on the ground. Also, with Presidents Izetbegovic and Tudjman we discussed this here. During this time the UN peacekeeping forces will try to continue their peacekeeping and humanitarian missions. We are convinced that as a result of the tireless efforts of our troops it has been possible to save numerous lives. Twenty percent of the humanitarian aid reaches Sarajevo by air, and this air bridge is for the large part secured by the British Royal Air Force.

Madame Chairman! It would be a tragedy if the situation on the ground did not make possible the further provision of this humanitarian aid. Because there will be new battles and probably these battles will spill over the territorial borders and will involve the surrounding peoples in a more intensive war, if anybody still trusts in the hope of an illusory military victory. We cannot shoulder the responsibility of the region's leaders, and in the same way we cannot use the international organizations as a shield. There is a war in Bosnia and the killing has to stop.

As a member of the Contact Group, as a member of the CSCE, Great Britain will strive day by day, also in the

future, in order that a lasting peace might come about in Bosnia, and I ask the same thing of all of you.

Madame Chairman! Even during the more icy period of the Cold War, the CSCE held out the hope of a warmer future for every member state. There is no doubt that we cannot allow a new division, we cannot erect new walls in Europe. We can witness an unprecedented cooperation between East and West. And Bosnia is not the only region where we [word indistinct] this cooperation.

Madame Chairman! The UK would like us to make use of all the possibilities of the CSCE in the interest of dissolving conflicts. We would like Europe, the European states, to draw ever closer to each other, because this is the future we believe in, and I think that our present conference will play a role in this, both today and tomorrow. Thank you very much.

Further Major on Bosnia

LD0512183294 London PRESS ASSOCIATION in English 1722 GMT 5 Dec 94

[By political correspondent Sarah Womack]

[FBIS Transcribed Text] The prime minister issued a strident warning tonight that there was not much time left before British troops could be pulled out of the Bosnian war zone. His comments came at a two-day summit of world leaders in Budapest which has been dominated by the crisis in the former Yugoslav republic less than 200 miles away.

Mr Major said the Bosnian Serbs must accept, as the basis for a settlement, a map drawn up by the Contact Group of five nations—the United States, Russia, France, Britain and Germany. "The only way forward is by negotiation," he said. "There is not much time left."

The British Government wanted the UN Protection Force [UNPROFOR] to be able to continue its valuable mission. But he said that was threatened by the continued fighting on the ground, and by the tactics of the Bosnian Serbs in preventing peacekeepers and aid workers from doing their job. "We will not be able to keep our troops in Bosnia if they face unacceptable risks, or if they are prevented from fulfilling their humanitarian and peacekeeping mandate," said Mr Major. He added that none of the Contact Group governments believed that bombing from the air could stop fighting on the ground.

Mr Major spoke after President Bill Clinton, also in Budapest, told Bosnian Serbs to "settle your differences at the negotiating table, not battlefield".

Earlier today, Foreign Secretary Douglas Hurd met Bosnia's President Alija Izetbegovic and Croatia's President Franjo Tudjman on the fringes of the conference.

Mr Hurd has already warned that UK peacekeepers may have to be withdrawn, and relayed to President Tudjman

the details of his meeting on Sunday with the Serbian President Slobadan Milosevic.

British officials said tonight that President Izetbegovic did not raise the subject of lifting the arms embargo on the Muslims. One official added: "No one wants to see UNPROFOR withdrawn, or any alternative to the Contact Group process. There was no suggestion that there was a military solution to Bosnia."

But earlier today, President Izetbegovic accused the international community of standing by while the Bosnian Serbs took over the Bosnian town of Bihac.

Speaking at the 53-nation Conference on Security and Co-operation in Europe, he told world leaders they had sacrificed Bosnia. In an emotional speech, he said the war was being prolonged "due to a mixture of incapability, hesitation and sometimes ill-will of the West". He added: "The result shall be a discredited United Nations, a ruined NATO, and demoralised Europeans with a feeling of incapability to respond to the first crisis after the Cold War."

French President Mitterrand

LD0512214094 Budapest MTV Television Network in Hungarian 1625 GMT 5 Dec 94

[Speech by French President Francois Mitterrand at the CSCE summit in Budapest—live; Mitterrand speaks in French with superimposed Hungarian translation]

[FBIS Translated Excerpt] Madame Chairman, ladies and gentlemen. Many of you no doubt remember that four years ago we had the honor of welcoming you in Paris to the (?first) CSCE summit. [passage omitted on history of CSCE]

It is an excellent thing, an excellent thing that our countries' responsible leaders have learned to get to know each other and to work together. On the other hand, one has to pose the question: What is this good for, is this really useful? [passage omitted on further background]

The CSCE has in fact never had the means whereby it could assert its decisions in life. This is precisely the reason why Russia is proposing—and incidentally it is not alone—it is proposing that the CSCE should become a real structure through which we could in some way be able to simplify our work; and so that our Conference—after all, that is its name, Conference, which does not always have a very major significance—well, so that this Conference might transform in such a way as to work in parallel with many other organizations, perhaps (?I would say) with too many organizations.

The point where we are now—in my hand I have a diplomatic speech, but this is not what it is about now. I think that concrete, important decisions have to be made. This cannot be evaded.

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The first decision will be—but I do not think we will decide this here, either. What we will decide is whether NATO should expand. And if it does expand, then it will be toward the Central European countries. And the Russians will obviously see that the Western countries' military borders will come very close to and will approach their borders. So, obviously, everything depends on the intention with which this happens. Obviously here it is not a question of a frontal aggression against Russia.

Security and caution are obviously important in every country that for decades lived in the shadow of the Soviet Union, and that are very much afraid of finding themselves in such a situation.

And then there are the local conflicts; a typical example of this is the former Yugoslavia. And with all that, there is the danger of trouble breaking out in the region; and then obviously the expansion of NATO will be talked about elsewhere, as well.

We, France, of course are not members of this integrated military organization, but we also have a responsibility, and at the same time, too, we have political rights as well. And in any case—I do not want to argue here now—we do not want to spark off any kind of conflict, either, and above all not with Russia, which does not even deserve it.

I feel it is understandable that they feel they have been a little encircled. Because there are several Central European countries here that suffered a great deal from a foreign presence. They, too, deserve to be defended against the danger that the same old situation might perhaps return. So, that is more or less how the situation looks.

But if we mutually give each other guarantees in these countries, it is very important—these same guarantees are important for Russia as well. Because it is possible to conceive, for example, of a kind of treaty between Russia and the Western countries.

But in my opinion, this is not how it will happen. And obviously we must not do it in such a way as to restore the old blocs. Obviously those who know Russia's history from 1917 on are naturally afraid of being encircled. Well, they are not always wrong in this, although sometimes this assumption, or this fear, is justified.

At the same time, it can be said that they were not as isolated as all that. But obviously they were in fact the ones who (were the motive force in) life. And obviously this is what crossed the minds of all the Soviet leaders. It is now a question of Russia. Russia has accepted, or will accept, our laws, the advance toward democracy, dialogue, discussion, instead of disputes, the fact that it does not want to use weapons as long as it has the possibility of debating things peacefully.

So, it cannot be said that we have altered our principles. But a lot of things have happened. It cannot be denied

that we now do not handle things in quite the same way. I have lived through all this period. They were very difficult periods. And it cannot be said that today's Russia has a lot of points in common with the former Soviet Union.

So, these are the difficulties. And we have to understand the reflexes of the Central and East European countries, which require protection. At the same time, this protection—they go quite far, in quite a determined manner, in this wish of theirs, for naturally they are demanding total solidarity for themselves, and if necessary perhaps the mobilization of all the other countries, of all their forces, should a conflict situation arise. So, we are facing a very difficult decision.

On the other hand, we must not make them feel that the West, West Europe, is shutting itself away behind its own bastions, in a dominant position, and thereby in practice [word indistinct] defend itself, but that at the same time, in a certain sense our own alliance system backs down before Russia. So, the problem is terribly complex.

What I think is that we must not do anything that might nourish or develop this sense of fear in Europe. So, those who on the one side, would like to shape structures that might equip them for a conflict, we have to make them understand that military conflicts very often merely represent an obsession, a fixed idea, a totally unfounded fear.

So, this discussion must be conducted with very great calm, circumspection, and caution. I would not like to exclude any kind of hypothesis. Let me say in this connection that last year, for example, we all studied with great attention and great interest this partnership possibility—in other words that partnership seemed to us to be a solution; and in fact last year we backed down from the solution that is now on offer.

Now countries that fear a warlike situation, a conflict, ask us for permission to join. Yes, but one could say that there are a lot of these diplomatic phantoms, diplomatic specters, running around in the world—apparitions, if you like, which afterward quite soon vanish. So, there are these phantasms, various kinds of fixed ideas, various kinds of obsessions, various kinds of fears. Our task is to give a concrete content to these ideas. So, is there a need for concrete guarantees, is there a need for concrete protection? I cannot give a decisive answer here to this from one day, from one moment, to the other.

There is also another problem we have to wrestle with, but naturally, I would not like to go on speaking for too long. We all look with very great anxiety at the events taking place in former Yugoslavia, the horrendous fighting in Bosnia, this conflict. And we always ask ourselves how we could find a relatively simple solution to this, whether the states that are in this region will find some other solution apart from the solution of war. Or will this conflict necessarily lead to the victory of one side and the defeat of the other side? And if that is where

we end up, will this victory or will this defeat mean the subjugation of the losing side by the other side? In other words, will the victorious side dominate, will it rule over the losing side? If that is the case, then in fact there is no sense in what we are now discussing here, because then this is not preventable and our consultation serves no purpose.

For its own part, France did not approve of the embargo imposed against former Yugoslavia because we considered that in practice this could also lead, directly or indirectly, to the policy of domination or annihilation. In Bosnia too, and everywhere, it is human lives that need to be defended first and foremost, so that Bosnia might also be able to exist and live in freedom and full sovereignty. And it is no good our pronouncing beautiful speeches, beautiful orations about the right of the free peoples to defend their own rights and sovereignty. The determining factor is what is happening on the ground, what is happening in the field.

We receive a great deal of encouragement, a great deal of support in our work; but at the same time, we also receive serious reproaches from the leaders of this or that country. Naturally, the aim here is not to organize international brigades. International brigades played a decisive role, an important role, in the Spanish Civil War. Here, on the other hand, I don't know what lines of action, what methods of action, can be found by the humanitarian forces. There are some countries that have made very considerable efforts in the search for peaceful solutions. There are other countries that are fairly sparsely populated, but who at the same time, in proportion to their numbers, have likewise played a significant role.

Even so, I could say that there is no European solidarity, no general European solidarity. Everyone is bound by their financial difficulties, bound by their own alliance systems, unalterably. We could say that European solidarity has failed in this case. And so, we very often make do with pronouncing fine words, fine speeches, and we practically bury our heads in the sand, when we should be analyzing the facts of the reality.

France, the French Republic—at least for my own part I could say that we are very sad, it makes us very sad. Because might we perhaps, in a certain sense, even feel ourselves responsible for what is happening there in Bosnia? Naturally, what could they accuse us of? Could they accuse us of not offering assistance with our Army? Nobody expects this of us. So, what then are we in fact talking about? That we took a different stance on the question of the embargo? So, we do not want to pursue a policy that might further deepen the conflict, or that might further deepen the consequences of the conflict.

But a lot of things are heard, among the accusations as well, which are first and foremost accusations of a propaganda nature. And as for the various diplomatic initiatives within the CSCE or outside the CSCE, a

Contact Group has come into existence, and the members of this group are countries that are bound by the various alliances, alliance systems, or by their allegiances.

But amazing proposals, recommendations are being made. These proposals, these recommendations are much better than silence. But behind all these things, artillery fire goes on, bombardment from the air goes on, infantry fighting goes on. So all those things are still going on which would be the job of the CSCE to prevent.

There are those in the world who believe in pursuing war to the bitter end, to the (?final victory); there are those who believe in dialogue. And the aim would be that all of us should encourage the various warring sides, or should urge, incite the various warring sides to examine the possibility of concluding peace in the interest of their peoples.

This conflict will afterward be enlarged with other conflicts, or will be followed by other conflicts. But various kinds of armed struggles are under way, or are about to break out, in other parts of the European continent, as well.

And as for the Russians standpoint, well, naturally the Russians have rightful expectations here.

Going back to the CSCE, here I would like to repeat that the CSCE continues to be a very useful international organization; that is to say, it has not lost its usefulness, has not lost its necessity. And if we have enough moral and political courage to try and put the decisions into practice, then the CSCE will at all events proceed in a very useful manner, as it has been operating since 1989 in a useful and fruitful manner.

Ukrainian President Kuchma

LD0512172794 Budapest MTV Television Network in Hungarian 1120 GMT 5 Dec 94

[Speech by Ukrainian President Leonid Kuchma at the CSCE summit in Budapest—live; Kuchma speaks in Russian with superimposed Hungarian translation]

[FBIS Translated Text] [Words indistinct] I would like to repeat our expressions of gratefulness to the representatives of Hungary as Hungary takes over the presidency of the CSCE. I am positive that our Hungarian friends will take over the relay baton of presidency as excellently as our Italian friends passed it on.

Mr. Chairman! In the two years since the latest summit radical geopolitical changes have taken place throughout the whole of Europe. We have also witnessed a dramatic turnaround in international relations. The developments of the recent years, the past two years, shook the CSCE to its foundations. Zones (?with a lot of tension) were formed. Despite this, however, the CSCE proved it was

capable of exercising an influence—a stabilizing influence—over the continent's political life and of contributing to the prevention of conflicts, as well as supporting human values and helping to dismantle artificial barriers.

We have had to discard some illusions since the Paris Conference. We have had to admit that this new world is more complex than we thought. Today we are still fighting for the ideals laid down in the Paris Charter. We had to realize that the conditions of success are dependent mainly on *realpolitik*. While exercising it, we have to join our forces, to involve all progressive political forces. Our task is to establish greater Europe's system of institutions in the interests of safeguarding security. The CSCE has a pioneer role in this.

We are convinced that the CSCE's real role is to make it easier to overcome past divisions so that we can get rid of the syndrome of nationalistic egoism and try to adopt a collective approach to the European problems. By consolidating and strengthening the various structures the CSCE has become an international institution.

In our understanding, the activity of the CSCE has to be based on the main principle in whose spirit every participating country's legal standing is completely equal. Naturally, this cannot exclude the further development of the CSCE's mechanism, the improvement of its potential, insofar as it plays a role in the handling of the changes.

I would like to emphasize the need for prevention, namely the need for early forecasts, timely reporting of the development of crisis situations. Because it is easier to cure the symptoms, the symptoms themselves, than the full-blown illness. At the same time, it is possible that we are able to prevent the outbreak of conflicts, to avoid bloodshed by virtue of a system of early forecasts.

I would like to take this opportunity to express my recognition for the CSCE's activity in handling the Crimean crisis. We are of the opinion that the CSCE's Ukrainian mission will lead to a similar success.

Mr. Chairman! We are witness to confrontations in the overall European process, and I cannot remain silent over the tragically afflicted territories, which are likewise territories of CSCE member states. It is not enough for us to stress that the CSCE has not always fulfilled its task successfully. The existing international structures are not always sufficient for us to resolve the Yugoslav, the Karabakh, and the Georgian conflicts, which are in progress.

It is clear that an effective solution, the effectiveness of peacekeeping, the consolidation of stability and peace, can be achieved only through united efforts within the CSCE—and only if we fully exploit the existing European structures, such as NATO, the EU [European Union], and the organizations of the West European Union and their systems of institutions.

We have to recognize that not every European problem can be resolved within the frameworks of the CSCE. First of all, I would like to say a few words about the CSCE's economic framework. The newly independent democratic countries have an enormous need to settle their economic crises with aid coming from outside.

At the same time, we must not forget that there is not only a need for monetary union, but that global problems must also be resolved. We are convinced that national stability and global stability need to be vital elements of these new economies.

This is directly connected with Ukraine, where the crisis of the entire economic system has swept the country into a catastrophic situation. There is a need for radical reforms. We cannot avoid this; there is no other alternative for us. Joint security, our security, has an effect on the stability and security of the whole of Europe.

Allow me to emphasize that Ukraine is a committed adherent of European stability and security. Allow me to draw your attention to the event that occurred virtually a few minutes ago, and which is of symbolic significance, when Ukraine signed the document on nuclear disarmament.

With this we have arrived at a historic moment. This also proves that our foreign policy is dismantling the earlier obstacles, also insofar that we are getting rid of the world's third largest nuclear potential, which is stationed on our territory. I would like to point out that this has become possible only thanks to the understanding, through the understanding attitude of other countries.

Also on this occasion we would like to express our thanks to the Chinese Government, which has contributed to the security guarantees, too. The crossfire of a number of talks preceded this event. It is not necessary for us, however, to consider guarantees, to require guarantees that have some significance beyond the framework of normal relations between partners.

The mere intention of the conference participants must help Ukraine become a nuclear weapon-free zone. This sets an example to other countries as well, whether or not they want to become nuclear powers.

We have signed a memorandum in connection with this that indicates that Ukraine is to join the nuclear disarmament process. At the same time, it reinforces the efforts made in order to establish nuclear-free zones. We consider this as a direct consequence of our agreement of 14 January, when, joining other countries, we also accepted the idea of belonging to a nuclear-free zone.

Arms control is a further means of progress in the strengthening of trust and in the creation of security. It also strengthens the principle of military security on our continent. It leads to a global exchange of information whose conditions we are creating on a military level.

Mr. Chairman! Next year will be the 20th anniversary of the signing of the Helsinki closing document. This anniversary will be very significant. These two decades strengthened the Helsinki process. At the Budapest conference we confirm that we will continue to act in a dedicated manner within the frameworks of the Helsinki process in order to solve the problems that the whole world has to face. Thank you.

Bosnian President Izetbegovic

LD0512173194 Budapest MTV Television Network in Hungarian 1407 GMT 5 Dec 94

[Speech by Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, at the CSCE summit meeting in the Budapest Convention Center—recorded; Izetbegovic speaks in Serbo-Croatian with superimposed Hungarian translation]

[FBIS Translated Text] Mr. President, heads of state, ladies and gentlemen. I would like to thank the leaders of the Hungarian Republic and the Hungarian people for the hospitality they have shown to the participants in our forum.

I would now like to make a speech which is to the point. It is ironic that before this high level forum, whose first session was held nearly 20 years ago, I now want to speak about something completely different, just the opposite [to its spirit], about uncertainty, injustice, war—all that is now happening in Bosnia, which in fact indicates the weakness and hesitation of the world.

The aggression against Bosnia-Herzegovina, the rebel Serb forces of Croatia which are now attacking the people of Bosnia-Herzegovina from behind, is now culminating in the Bihac crisis. This treacherous attack is taking place in a country where UN peacekeeping forces are stationed. The entire international community, which is embodied by the United Nations, is incapable of saving a single city that has been attacked.

Let us look at some facts. In the six months prior to the Bihac events the Bosnian population was deliberately starved in that region. The convoys that carried 135 aid deliveries were unable to reach this territory, they were turned back by the hostile forces. The tiny and inadequately armed defense force received no help.

No foreign journalists can be stationed in the region, and reports on the situation of the region have been, to put it mildly, censored by the hostile Serb forces. A high-ranking official claims rather cynically before the world that the Serbs have won because they have better chances for survival. However, this is not yet the end. The war continues, Bihac and [Velika] Kladusa are still standing despite the entire military offensive. Reports on the fate of the region were proved wrong on several occasions.

All of the threats that I spoke about, that we saw in advance, have come true. Paris has been Serbia's advocate and protector from the very beginning and it has obstructed the efforts to halt the Serb aggressor.

What about the Russian behavior, the Russian attitude? The Russian veto at the UN Security Council sessions, as well as stopping the attack on the Croatian Serbs, hinders the aid deliveries and efforts of the United Nations and various other charity organizations. Where does Karadjic get support in the meantime, because illegal assistance has been freely flowing toward his forces?

That is how we continue fighting in spite of the West's indifference—what is more, adverse steps. This attitude has a demoralizing effect. With the end of the Cold War we hoped to see a new world in which the West and the Islamic countries, the West and the eastern countries would coexist in a totally new system of relations.

At the end of the century the Bosnian war also represents the end of an era and the beginning of a new era. In the beginning it was only a regional crisis situation. It started as a regional crisis. Then it became a European crisis. Today we can speak about a world crisis without any doubt. In this sense the fall of Bihac has a world significance. This issue concerns all of us.

The world gave a so-called humanitarian answer to the brutal aggression, the hitherto unprecedented genocide, the concentration camps. They offer sedatives to treat a world disease while the disease spreads. This humanitarian answer recently turned into blackmail, a double blackmail against our people. We deserved assistance because we were not waiting idly. We showed resistance in a way many people regarded as inconceivable and unexpected. At the beginning of the war we showed resistance with just 100 units comprising 20-150 people each and armed only with rifles. We managed to organize our army of 150,000 and this army eliminated tens of thousands of hostile soldiers and a few thousand tanks and armored combat vehicles.

The more resistance we put up the less readiness you showed to help. Why? Is there an explanation, an answer to this?

Mr. President. What happened and what is now happening in Bosnia is a clash between democracy and the darkest nationalism and racism. Our foes recognize only one nation, their own nation, only one religion, their own religion, only one political party, their own political party. Everything that belongs to someone else has been condemned to elimination, even the cemeteries have been dug up.

Read the latest report by UN Commissioner Mr. Tadeusz Mazowiecki about what is happening in the areas controlled by the aggressors. I would like to address certain gentlemen who are making unselfish efforts in order that the monstrosity, which calls itself the Republic of Serbia, declare itself a state one day.

Some of those gentlemen are now sitting in this hall. I wonder if they are going to ask tomorrow that this republic be recognized and its soldiers be allowed to sit here among us next time.

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I would ask these gentlemen if they want this formation, which has developed on the basis of the destruction of peoples and nations to be admitted one day to the family of civilized states?

Tomorrow I am leaving for Geneva to attend the foreign ministerial meeting of Islamic states. Today I want to tell you what happened and what is happening in Bosnia. I will also tell this to the governments and peoples of the Muslim states.

Mr. President. In a war of liberation there is some extra element, which usually proves wrong any analysis. Therefore, certain military and political analysts always make mistakes in their own prognoses.

Our people are fighting for freedom, but more and more for survival. Such a war is usually difficult to fight, but it is also very difficult to lose. No fight for freedom has suffered defeat in the past 50 years. I do not see why ours should fail. No one in any way force can our 150,000 soldiers to lay down their arms. Therefore I suggest that everyone take notice of this fact for our sake but also for their own sake.

I hope that Bosnia's friends will not criticize me for these words. No one else's views interest me.

Croatian President Tudjman

LD0512175594 Budapest MTV Television Network in Hungarian 1105 GMT 5 Dec 94

[Speech by Croatian President Franjo Tudjman to the CSCE summit in Budapest—live; Tudjman speaks in English with superimposed Hungarian translation]

[FBIS Translated Text] Mr. Chairman, ladies and gentlemen! It is a great honor and pleasure for me to participate in this conference on behalf of the Croatian Republic. First, I would like to express our gratitude to the organizer country, the Hungarian Republic, for its warm hospitality and excellent organization work with which it prepared the conference. [passage indistinct]

The Helsinki process has practically already written itself in history. This means that it has become an essential organizational (?forum) of international stability, especially since 1981. Through this, the international community has contributed to the international peace, however, it has to be added with mixed results. Nevertheless, we can say that this role keeps strengthening. [Word indistinct] with the break-up of countries like the Soviet Union or Yugoslavia tensions have reappeared. Nevertheless, in spite of having fallen victim to aggression, Croatia is doing everything possible to contribute to stability.

Ladies and gentlemen! Mr. Chairman! It has been two and a half years since the Helsinki document was approved. During this period the international community made serious efforts to fulfill its peacekeeping role, to put a stop to war and genocide in Croatia and Bosnia-Herzegovina.

In the recent period, more than 100,000 people were killed and 1.5 million became refugees. These refugees are seeking shelter away from their home. In this process, troops of the international peacekeeping forces were also killed. All this is a result of the fact that the international community reacted and took a stand for these countries that fell victims to the aggression in the heart of Europe in a lukewarm fashion.

In order to end this terrible war in Bosnia-Herzegovina, the international community has to face criticism and attacks that are being leveled at it. The international community has to take resolute and effective steps so that political pressure and sanctions could be applied jointly, making intervention more effective. I also include putting military forces into action against the aggressor.

Croatia will do its best so that the crisis could be settled in a peaceful and, at the same time, just way. We took part in the international talks in a constructive manner [words indistinct]. We gave our approval to every proposal for a peaceful settlement. It has been going on for nearly four years. (?We have elected our ambassadors) and we have passed laws to ensure that [word indistinct] happens within a legal framework. We have passed laws to protect minorities living in our country. The international organizations have opportunities to monitor the application and assertion of these laws.

However, problems have not been solved yet. Croatia still has parts that are under the enemy's occupation. In spite of this, it still advocates a political solution. Croatia is convinced that there are certain steps that the CSCE could take, although it has not played as significant a role as it could have. We are convinced that the CSCE could act more effectively to achieve a just and lasting peaceful settlement. The Contact Group could also take part in this; they could monitor the assertion of the peaceful solution. All the former Yugoslav member states could join as well. I also include the assertion of human and minority rights. We are happy to support the elements of the collective security. We support efforts facilitating the gradual accession of the states of the region into a wider security system.

Our country has signed the most important documents of the CSCE (?speaker), including the ones on human and collective rights. We support the idea that the CSCE continue to strengthen its role. By this, the chairman and the Troika can be granted a more important role. Decisions should be based on consensus in the future, too. As a result of this, the CSCE could play a reconciliatory role of historical significance. Our country is fundamentally interested in these matters.

On the basis of our own experience, and reckoning with the support of the international community, Croatia would like to contribute to the CSCE's peacekeeping role, and asks the member states to respond to our initiative, according to which they could play an observer role in Nagorno-Karabakh.

Mr. Chairman, ladies and gentlemen! Croatia's foreign policy in this respect, and its view regarding all the significant foreign political matters.... [pauses] Our main intention is to reintegrate the Croatian territories that are currently under occupation into the mother country, and we hope that we will achieve that, and the protection guaranteed by the international community will be implemented in the threatened Bihac region. [passage indistinct].

The Serbian authorities have already signed their letter of intent, according to which they would contribute to the settlement of relations in a number of fields, primarily in the field of economic ties, at the moment. The matter in question is a very important task. A peaceful solution has to be supported at all events. Unfortunately, [words indistinct] casts a shadow on.... [announcer breaks in to report on the beginning of the Hungarian-U.S. summit]

UN Secretary General Butrus-Ghali

LD0612025494 Budapest MTV Television Network in Hungarian 0835 GMT 5 Dec 94

[Speech by UN Secretary General Butrus Butrus-Ghali at the CSCE summit in Budapest; broadcast in progress—live; in French with simultaneous translation into Hungarian]

[FBIS Translated Text] ...I wanted in any event to insist on being with you and to emphasize in the most solemn manner possible what great significance we ascribe to the CSCE as well as to the United Nations.

We all know very well that the European continent in our day already is a source of tension. An antagonism is appearing that in many places threatens international peace. The European states, which have so far been thinking [words indistinct] from an economic aspect, have to ask questions, which are very important for them and others, on political stability and the continent's security. It is very important for our organizations to coordinate their efforts continuously since all of us are after the same goal, peace.

Since the 1990 Paris conference, the CSCE has drawn conclusions from the perspective of political changes that have taken place on the European continent. The consequence is that the CSCE has gradually become a dying international regional organization. I would like to note that since this time—and since 1992—the CSCE has operated as a regional organization under Clause 8 of the UN Charter.

Thus, later it was possible to set up a system of relations that I would like to call privileged. That is, special relations were established between the United Nations and the CSCE. In the spirit of this, in 1993 a framework agreement and a coordination agreement were signed officially by the CSCE and the Secretariat of the United

Nations. In October 1993 the UN General Assembly recognized the CSCE and the CSCE received observer status.

Today the CSCE is one of the most important regional organizations with more than 50 members. Its members play a very important role in the United Nations. Four of the five permanent Security Council members are from your organization. The CSCE provides 75 percent of the UN budget.

Thus, it is perfectly normal that due to an accord in stances there is very serious coordination between them. The heads of the CSCE and the United Nations have learned to work together. This cooperation is deepening even further. The 1993 framework agreement resulted in a kind of division of duties. This practice prevails in various tasks where the UN and the CSCE work closely together.

In the Former Yugoslav Republic of Macedonia the representatives of the CSCE and the United Nations succeeded in brokering an agreement, whose importance has to be stressed since this was the first agreement that succeeded on an international level in preventive diplomacy.

The CSCE has to play an important role in conflict prevention and settlement. Thus, the various nations are in a very difficult situation, first and foremost in Bihac and in the area of the former Yugoslavia.

I was in Sarajevo five days ago. This visit convinced me that the only solution in this conflict—which is very difficult for everybody—can only be negotiation, negotiation, and negotiation again. The effectiveness of the negotiations can be seen in the recent days when an economic agreement was signed by Croatia and Serbian representatives, in the presence of Mr. Stoltenberg, who was my representative. I am certain that this is the way that your conference has to continue. I tell every participant that the continuance of the war cannot and will not be a solution. Negotiations are needed, dialogue has to be initiated and continued.

In the former Yugoslavia it is the United Nations that plays the main role. At the same time, however, the CSCE gives very significant help in the completion of that action. Various missions are taking place, precisely in order to prevent the outbreak of certain conflicts in Vojvodina and various territories.

At the moment, the CSCE has opened a bureau in Sarajevo. The United Nations gives serious logistical help for running the bureau. These days, the United Nations and the CSCE share the work and responsibility for peace. The CSCE has tried to mediate during various conflicts. Furthermore, in 1993 the CSCE's mandate in Georgia was extended in a way that it provided help in matters related to human rights and various constitutional matters. At the same time, the United Nations

[word indistinct] plays an important role in Abkhazia, because it contributes to the work of the CSCE there.

From September 1993 there was a goodwill mission in Georgia and in August 1993 the Security Council carried out an observer mission in Georgia. Perhaps, the coordination should have been organized better and the distribution of tasks should be better considered. However, I would like to say that our two organizations can only be persuaded by action to work better, to better coordinate their actions in the interest of peace.

In Tajikistan it was the United Nations that played the main role. At the same time, the CSCE gave very important support in providing an appropriate environment for the establishment of democracy. As opposed to this, it was the CSCE that played the main role in Moldova. [Word indistinct] and the CSCE agreed as early as April 1993 that the conference will ensure the coordination of various actions, those which we have initiated in the interest of peace.

The aim of the CSCE to help the solution of political conflicts, and the CSCE observers are already in place. In Azerbaijan and Nagorno-Karabakh the situation is still very tense. The cease-fire [words indistinct]. There is no guarantee that it will continue forever. I know that this question has a special significance, and the Security Council has several times confirmed its support, its unconditional support. Our representatives are present as observers in the [word indistinct] group, and the goodwill missions are ready to help everybody, if they can be useful.

I, in any event, wanted to recall here the fields of cooperation between the CSCE and the United Nations. I did so because I wanted to stress that exemplary cooperation between a world organization and a regional organization has already taken place in the interest of maintaining peace. This cooperation can be exemplary. Then, in the future, it will obviously be even stronger, it will multiply, in addition [words indistinct].

The United Nations and mainly the EEC will give help and contribution in order to achieve the CSCE's political and economic aims. The same countries are in it, as are in the CSCE, and its activity also aims at strengthening economic cooperation between the region's countries and on launching reforms.

Other forms of cooperation will also appear. The CSCE, in any event, wants to play a role, and what is more, an increasing role in the protection of human rights, the protection of minorities, and the development of democracy.

It also means that a very intensive cooperation can be established between the CSCE and the various organizations of the United Nations in this field. Even now the UN development program, the CSCE, and the Council of Europe have concluded an agreement, according to which high-level delegations or missions will make

efforts in various countries in these matters, that is to say primarily for the protection of human rights. These new forms of cooperation can naturally be further developed.

Esteemed Mr. Chairman, Your Excellencies, ladies and gentlemen, I am deeply convinced that the framework agreement that has been concluded by the two organizations will gradually be filled with content and will become increasingly effective in the interest of the preservation or reestablishment of peace and security on this continent. The preservation of peace requires actions that can be of very different natures, partially preventive diplomacy and, on the other hand, perhaps, coercive measures can also be applied in order to maintain or reestablish peace.

The CSCE, in the field of preventive diplomacy, has taken very significant efforts. Mainly this is the field where the CSCE's efforts are very spectacular. I would like to underline the very important role the regional organizations can play in this perspective.

I would like to express my thanks and respect for the participants and officials of the CSCE. We are all convinced that the conflicts are so varied, we are exposed to such complex threats, that it makes cooperation between the world organization and the regional organization necessary. Therefore, we must work on the coordination of efforts with patience.

At the same time, I am sure that there is determination and will for cooperation on both sides. And if there is a will, we will create a Europe that will be the continent of peace and security.

The CSCE has now entered into a new phase of its development. I ask you to continue to undertake these increasing responsibilities, the burdens of responsibility. Congratulations for your work so far, and I would like to remind you that the European countries' duty and mission are not limited to their own continent. The rest of the world also has to be taken into consideration. Cooperation with other continents is also part of the European mission. The UN will always provide support as much as possible.

Thank you very much for your attention.

Canadian PM Chretien

LD0512152894 Montreal Radio Canada International in English 1430 GMT 5 Dec 94

[FBIS Transcribed Excerpt] The presidents of Russia and the United States are in open disagreement. Both Boris Yeltsin and Bill Clinton spoke today at the opening of a European security conference in Budapest. Canada's prime minister [PM], Jean Chretien, is also among the 52 heads of state or government attending the conference. All three emphasized the importance of preventing regional tensions from growing into full-scale conflict. [passage omitted]

Alvin Cater prepared this report from Budapest.

[Cater] [Passage omitted on Clinton and Yeltsin speeches] If one theme did emerge from the opening session it was that regional disputes in Europe have to be nipped in the bud. Prime Minister Jean Chretien said that's the lesson to be drawn from Bosnia.

[Begin Chretien recording] We know from the conflict in Bosnia that by the time peacekeepers are required it is often too late to prevent the spread of conflict. [end recording]

[Cater] Chretien said the CSCE can make a difference in making Europe a safer place and he said Canada would be prepared to offer its expertise if there was an agreement to send a CSCE peacekeeping force to Nagorno-Karabakh. The Armenian enclave has been the scene of ethnic fighting for several years.

Alvin Cater, CBC News, Budapest.

Finnish President Ahtisaari

LD0512205394 Helsinki Radio Finland in English 1930 GMT 5 Dec 94

[FBIS Transcribed Text] Finnish President Martti Ahtisaari addressed the 53-nation summit meeting of the Conference on Security and Cooperation in Europe, the CSCE, in the Hungarian capital on Monday morning. Ahtisaari expressed Finland's firm support for the CSCE as an instrument of collective security building in Europe.

The Finnish president's speech in Budapest was in line with Finland's long-term commitment to the European security conference, which held its first summit in Helsinki in 1975 when the Helsinki accords were signed. Kimmo Wilska has more.

[Wilska] Addressing the Budapest summit on Monday morning, Finnish President Martti Ahtisaari noted that the only way to heighten the prestige of the Conference on Security and Cooperation in Europe is to work through that organization. President Ahtisaari said that the CSCE should be the instrument of first recourse in efforts to build stability and prevent conflicts in Europe. He suggested that the task of the Budapest conference was to improve the CSCE's capability for crisis management.

The Finnish president said that the CSCE can help Europe through the transition period that began with the end of the Cold War division. Ahtisaari said that Finland is in favor of a new security order based on cooperation. He said the elements for this building work are available through CSCE, as well as through cooperation between the United Nations, the CSCE and other European and Transatlantic organizations. Finland, Ahtisaari said, welcomes open discussion on how cooperative security can be further developed on the basis of the principles of the CSCE. He said this calls for both a creative and a practical approach. Ahtisaari said that Europe must never again be divided. He said that by joining the

European Union, Finland is committing itself to the integration of the continent of Europe.

Egyptian FM Musa

NC0512162494 Cairo MENA in Arabic 1530 GMT 5 Dec 94

[FBIS Translated Text] Budapest, 5 Dec (MENA)—Foreign Minister [FM] 'Amr Musa has called on the CSCE summit to adopt "a firm and brave stance" against the Serbian onslaught on the Bosnian people.

He reiterated the need to put an end to this tragedy and stand by the Bosnian people, who are suffering as a result of an unequal conflict.

In his speech to the conference, Musa urged European states to "intensify efforts to establish a just and comprehensive" peace in the Middle East in accordance with international resolutions. He said that the Middle East peace process is still "fragile," calling for more support for the Palestinian National Authority as well as for peace efforts along the Syrian and Lebanese tracks.

In his speech, the foreign minister emphasized the need for a "symposium" for Mediterranean states to enhance security and stability in the region and consolidate the firm, historic relations among these states.

At the beginning of his speech, Musa pointed out that for some time Egypt has been calling for closer cooperation among states to consolidate world peace and stability. He remarked that enhanced relations between Egypt and Europe have been among the major objectives of Egyptian foreign policy. He expressed his pleasure at Egypt's participation for the third time in the CSCE summit, commending its convocation in the Hungarian capital, Budapest, which has excellent, longstanding relations with Egypt.

The foreign minister pointed out that Egypt stressed the need for putting an end to the Arab-Israeli conflict during the 1973 war, while its brave soldiers were fighting ferocious battles to attain peace. He said that Egypt is continuing its call for a just and comprehensive peace in the Middle East and for a historic reconciliation between Arabs and Israel, after which the people of the region, including the Palestinians, can live as equals.

He added: Egypt is still firm in its determination to put an end to the conflict for the sake of all concerned.

Musa welcomed the convocation of the CSCE summit, noting that events in the Middle East and Europe make reconciliations in both regions inevitable. I trust that we are proceeding along the right course and that the humanitarian goals we seek to accomplish will eventually prevail, he said.

The foreign minister warned about the seriousness of recent developments in Bosnia-Herzegovina, noting that these alarming developments and the Muslims' suffering as a result of Serbian aggression are shocking. He said

that the arrogance and despotic tyranny the Muslims suffer from and the international community's inability to adopt a firm position and its hesitation regarding these events when innocent souls are being lost every hour to no avail raise a question on whether we have returned to an age governed by short-sightedness, an age where short-term interests prevail at the expense of the universal interests of mankind just because of a lack of determination and firmness in adopting immediate and urgent decisions.

'Amr Musa added that the tragic events in Bosnia-Herzegovina should spur determination and force to adopt difficult decisions that are necessary to end this conflict and sympathize with those suffering from an unequal conflict in modern Europe.

The people of Bosnia-Herzegovina deserve to enjoy security and sovereignty and you are dutybound to spare no efforts in this regard, he said.

'Amr Musa said: Similarly, efforts should not be spared to end the Arab-Israeli conflict in the Middle East, as peace should be achieved between the Arabs and Israelis. This cannot be done unless UN Security Council Resolution 242 is implemented and the land for peace principle is honored, the foreign minister added. He said this requires Israel's withdrawal from the territories it occupied in 1967, which would ensure security for all the area's states, including Israel, and enable the Palestinians to exercise their national right to self-determination.

'Amr Musa said that the Middle East peace process is still fragile, pointing to the emergence of negative factors that make it incumbent upon the international community to marshal its efforts to overcome such factors.

The foreign minister said that the Syrian-Israeli track and the Israeli-Lebanese track should achieve good results within the next few months or else negative consequences will surface, like all the wasted opportunities in Middle East history. He added: The facts are clear and political decisions are the only solution. The foreign minister maintained that the Israeli-Palestinian track continues to represent the core of the Arab-Israeli conflict, stressing that solving the Palestinian problem will require courage, determination, wisdom, and vision.

Foreign Minister 'Amr Musa said it is necessary that the Palestinian people in Gaza and Jericho as well as in all the territories occupied in 1967 should reap the fruits of peace. He called for activating the transfer of powers to the Palestinians through the election of a Palestinian authority in the West Bank and Gaza. Musa also called for speeding up the transitional period so that the negotiations can begin on the final status so that other sensitive issues, such as the settlements and Jerusalem, will be discussed.

The foreign minister said that the Palestinian and Israeli peoples shoulder a huge responsibility to find a way to

bring the next generations closer. The two peoples should be able to create and excel to spread the seeds of prosperity in Palestine.

Musa stressed that European and Middle Eastern states should cooperate to solve the problems facing the two regions because peace and security in both areas are related.

He recalled President Mubarak's urging of the European Parliament in 1991 to establish a Mediterranean symposium as the nucleus for wide-scale cooperation between Europe and the Middle East.

He pointed out that since that time, Egypt has spared no effort to implement this initiative, which helped organize dialogue and cooperation seminars in the different economic, political, and cultural fields. He noted that the first step in that direction was the ministerial conference representing 10 Mediterranean states in Alexandria last summer.

The foreign minister explained that the goal of that symposium was to address issues of mutual interest to Europe and the Middle East and to eventually achieve a "consensus" in the two regions, a thing that can only be done through the establishment of a two-way communications channel between the Middle East and Europe.

'Amr Musa said that the Middle Eastern states will seek to benefit from the CSCE experience in the field of averting conflicts, managing crises, and building confidence. They will also seek cooperation with the CSCE on running economies that are going through a transitional period through the use of proper technology, as well as on protecting the environment, he said.

Once security and economic conditions in the Middle East improve, the region, with its central location, will provide a buffer zone to sustain stability in Europe and provide peace and security for other regions.

Musa added that this approach will not be an added burden for the CSCE states because the security of the Middle East will continue to be the responsibility of its states, who are eager to win CSCE support and cooperation to develop their economies and enrich their experience.

Musa suggested that a liaison group be established between the CSCE states and the Middle East to consolidate cooperation and step up the rate of exchanged visits.

He said that Egypt believes that the organization of an annual CSCE seminar on Middle East issues will represent a step along that road, which would serve the interests of both sides.

The foreign minister welcomed the idea of hosting this seminar in Egypt. We are eager to benefit from the CSCE experience in the various fields, he said.

He added that Europe has been linked to the Middle East for centuries and that both regions had ancient great cultures and civilizations. It is high time to enhance these links and establish a mutual understanding, he said. We are looking forward to closer cooperation that will benefit the current and future generations in both the Middle East and Europe, he said.

Turkish PM Ciller

TA0612112094 Ankara TRT Television Network in Turkish 1800 GMT 5 Dec 94

[Turhan Ipek video report from Budapest]

[FBIS Translated Text] After the opening session of the CSCE summit in Budapest, the leaders posed for the traditional family photograph. Prime Minister [PM] Tansu Ciller and U.S. President Bill Clinton held their third meeting after the photo session. Azerbaijani President Geydar Aliyev later joined the conversation.

In a statement after the meeting, Ciller said that during the latest meeting, which focused on the Azerbaijani-Armenian conflict, Aliyev had the opportunity to hold a direct contact with Clinton. Explaining that she met with certain leaders last night, Ciller noted that views were exchanged on the subjects to be discussed at the summit. The fact that the Bosnia-Herzegovina issue was excluded from the CSCE summit agenda is a shortcoming, Ciller remarked, adding: We will exert efforts to avoid the same fate for Azerbaijan.

[Begin Ciller recording] The conflict between Azerbaijan and the Armenians should be discussed within this framework and the Armenian attacks must be stopped. To achieve this, it is necessary to send a peace force to the region. A cease-fire was needed before a peace force could be sent there. This has been secured. The peace force must be a multinational force. In other words, it would not be right for only Russia to be deployed in the region. We will exert efforts here to guarantee that other countries also participate in such a CSCE force, in cooperation with Russia. I discussed this matter with Mr. Clinton a while ago and I conveyed to him Turkey's views on this subject. [end recording]

In reply to a question, Ciller said that the document she submitted to President Clinton during their second meeting states that a peace force should be sent to the region in order to stop Armenian attacks and resolve the Azerbaijani-Armenian conflict through peaceful means, and that work to this end should be launched within the framework of the summit.

Prime Minister Ciller chaired the third session of the CSCE summit this afternoon. Addressing the meeting, Ciller depicted the human tragedy in Bosnia-Herzegovina. Recalling her visit to Sarajevo, the prime minister said: It was a horrifying experience. I am unable to explain to my people why the CSCE is shirking its responsibility with regard to Bosnia-Herzegovina.

The principles accepted by the CSCE will be devoid of any meaning unless they are implemented, Ciller declared. Pointing out that Europe's division ended in 1990, but Europe is still afflicted with clashes and terror, Ciller announced: Our duty is to create an integrated and free Europe.

Remarking that all CSCE member countries have deficiencies with regard to human rights, the prime minister continued: In line with its CSCE commitments, Turkey is also seeking a national consensus to rectify its human rights record. Human rights violations are unacceptable, regardless of whether they are committed by the state or by terrorist groups. The right to live is the most basic right and all other rights are constructed on this basis. Human rights can develop only in peace and security.

Ciller noted that the CSCE region is the joint interest and cooperation sphere of all countries. Therefore, she said, all countries should act jointly and not individually. She added: We must shoulder the burden and the responsibility together. This is what will determine the future of the CSCE. Now is the time to act concerning the Azerbaijani-Armenian conflict. We failed in Bosnia-Herzegovina. A second failure with regard to the Azerbaijani-Armenian conflict, for which CSCE is directly responsible, will quash our hopes for the concept of a joint security sphere.

Finally, Ciller reiterated her appeal for the joint implementation of the CSCE principles and said: A family, which is divided from within, cannot survive.

In a subsequent statement to reporters, Ciller noted that something can be done within the framework of CSCE to stop Armenian attacks in Azerbaijan. The question of sending an international peace force to this region was discussed in all her bilateral contacts, especially with Clinton, she explained.

[Begin Ciller recording] In our opinion, peace in Europe cannot be divided. Peace can be attained only as long as all your neighbors wish it. In other words, separating a section of Europe and transferring it to another organization does not correspond to the description of peace. We must look at a whole peace process of a greater Europe. Therefore, CSCE must adopt its own identity; it should not be overshadowed by the identity of other organizations. It should not be forced to accept the attitude that only NATO or the United Nations can send forces. [end recording]

Ciller will attend a dinner to be hosted in honor of the leaders tonight. She is expected to depart Budapest tomorrow morning.

Cypriot President Kliridhis

NC0612115994 Nicosia Press and Information Office in English 6 Dec 94 p 1

[Press release containing the "text" of a statement by Cypriot President Glavkos Kliridhis at the CSCE Summit in Budapest on 5 December]

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[FBIS Transcribed Text] Mr. Chairman,

I wish, at the outset, to express our deep appreciation to the government and the people of Hungary for hosting the CSCE Summit and for the successful organization of our work. In the splendid city of Budapest our task is made easier by the hospitality and the efficiency of our Hungarian hosts.

Mr. Chairman, distinguished colleagues,

Europe is our common home. After decades of division and tension, the common threat has finally subsided. Our responsibility today is to ensure that the old divisions do not reappear or that new ones do not arise to hinder our common future.

It is in this spirit that the Republic of Cyprus will support every effort to make progress towards ensuring the strengthening of democracy, human rights, peaceful relations between states and to extend the stability and prosperity enjoyed by West Europe to all countries of Europe. Our commitment is to a Europe without the old divisions, in which all countries can share the benefits of integration instead of being divided into "spheres of influence".

The CSCE has a unique vocation not found in any other international organization: to ensure peace and stability in Europe and to manage the anticipated change and transition into a new European order. The CSCE is representative of our character: East and West, North and South, Continentalism and Atlanticism. Our most important asset is undoubtedly our common vision for a democratic and stable Europe.

The instruments and institutions which are implementing our common CSCE policy are pioneers in the field of preventive diplomacy. We have established in Helsinki, two years ago, several innovating tools for early warning, conflict prevention and crisis management. The High Commissioner on National Minorities, the Office for Democratic Institutions and Human Rights, the resident missions in a number of troubled areas within the CSCE region, to name but a few.

As we see it, our task in Budapest is to consolidate our achievements and explore ways of further strengthening this most vital regional multilateral organization. The presence of so many Heads of State and Government demonstrates the political weight we all ascribe to the CSCE.

While reaffirming the basic principles of the Helsinki Final Act we have to proceed further. We need to set standards for internal and external behaviour of member states. In this connection we hold the view that there is urgent need to establish norms regarding, inter alia, the following:

a) All CSCE member states have the same right, irrespective of size, regarding their independence, sovereignty and territorial integrity.

b) The use of the armed forces of member states and their control by democratic procedures must be defined.

c) The stationing of armed forces on the territory of another member state without the explicit free consent of that state or without the authority of the appropriate CSCE organ must be prohibited.

d) The inadmissibility of acquisition of territory by the use of force should be reconfirmed and the principle of non recognition of such acquisition as legal be specifically declared.

e) The role of the High Commissioner on National Minorities should be redefined and enhanced.

f) Procedures to prevent and resolve conflicts between member states should be established.

g) Effective measures against violation by a member state of human rights either against its citizens or the citizens of another member state should be agreed and provisions for the manner of their implementation be adopted.

We also hold the view that the CSCE's primary mission should be defined and the improvement of the effectiveness in the decision making should be urgently addressed.

Mr. Chairman.

The building of democratic institutions and upholding human rights in the newly emerged democracies, are the significant achievement of the peoples of Europe. The CSCE's role is to encourage and assist them. In order to be able to do this more effectively the CSCE institutions must be strengthened and given a clear mandate. It is also, however, true that international organizations are only as effective as its member states are willing to make them. Our continuing commitment to make these institutions work is also vital.

In Cyprus, international law, human rights and the principles of CSCE continue to be violated. Turkey, a member of CSCE, continues to maintain occupation forces on the territory of Cyprus. The presence of these troops is keeping our people divided forcibly along ethnic lines. One third of the population which was displaced by force is still prevented from returning to their homes and properties in the areas from which they were expelled. Furthermore, the occupying power is systematically changing the historical character and demography of the occupied area by transplanting illegal alien settlers.

Renewed efforts by the United Nations to bring about a framework for a political solution based on international law, the U.N. Resolutions on Cyprus and the High Level Agreements have failed. This is because the other party, as the UN secretary general states in his report dated 30th May 1994, clearly does not display the necessary

political will. Repeated statements by Turkish officials show that their interest is to maintain the current unacceptable status quo.

On our part we have demonstrated, time and again, our good will and good faith, as well as our sincere desire to reach a just and viable solution to the Cyprus problem that will safeguard the unity of our country in a federal, bicomunal and bizonal state and the well being and prosperity of all people. We still hope that it is possible to bring an end to the presence of Turkish troops and settlers on the island and that peace will prevail thus contributing towards the pursuit of prosperity and well being of all the people of Cyprus, Greek Cypriots and Turkish Cypriots. CSCE can and we expect will play a very vital role in bringing an end to the Cyprus drama.

We are particularly satisfied with the decision we are making here in Budapest, that the CSCE is the regional organization of first choice for dealing with issues relating to the maintenance of peace and security in its area. It demonstrates our determination to utilise fully the capabilities of the CSCE in this respect.

The problems in Former Yugoslavia and Nagorno-Karabakh require our urgent attention. They are test cases of our resolve to ensure peace and stability on the European Continent and the extent to which the CSCE will prove an effective tool for action.

Recalling our common commitment that a peaceful and lasting order for our community of states will be built on mutually reinforcing institutions, we are particularly pleased that the relations of the CSCE with the Council of Europe are developing in the right direction.

Already concrete examples exist of practical co-operation between the High Commissioner on National Minorities, the ODIHR [expansion unknown] and the Council of Europe. We are now taking a timely decision, based on an initiative of Cyprus, for the CSCE to enter into consultations with the Council of Europe. The aim is to identify fields of competence which lend themselves for distribution of tasks between the two institutions. The ultimate goal is the enhancement of the effectiveness of the two organizations in matters of common interest, avoidance of duplication of tasks and efficient management of their resources. To initiate a regular program of consultations between the two organizations, both at the level of the presidency and of the Secretaries, a high level meeting will take place in the margins of the summit. We are convinced that it is for the benefit of our common European goals, that such an enhanced cooperation will flourish.

Mr. Chairman,

Before concluding, I wish to reiterate our support to strengthening further the Mediterranean Dimension of the CSCE. We are convinced that expansion of CSCE norms in that part of the world is urgently needed. The CSCE can influence positive developments, especially by

fostering specific programs in the context of the Middle East peace process. We note, therefore, with appreciation, the contributions of the representatives of non-Participating Mediterranean States. We are in favour of establishing an enhanced partnership with them in the framework of the CSCE, and we are gratified to see that our decisions here in Budapest point to that direction.

Romanian President Iliescu

AU0512183994 Bucharest Radio Romania Network in
Romanian 1653 GMT 5 Dec 94

[Speech by Romanian President Ion Iliescu to the CSCE Summit in Budapest—live]

[FBIS Translated Text] Mr. Chairman, ladies and gentlemen, first of all, please allow me to express my satisfaction at being able to attend this important event, which is the fourth top-level CSCE reunion. I would like to thank our Hungarian hosts and organizers for the excellent conditions provided for our reunion.

Mr. Chairman, the political developments in the region of Europe in which Romania is situated continue to be worrying and the conflicts in that region, especially those taking place on the territory of former Yugoslavia, continue to preoccupy the responsible political forces in my country. As I have constantly asserted from the very beginning of the Yugoslav crisis, it is our conviction that there can be no military solution to that conflict and that it is our duty to facilitate communication and understanding among the parties to the conflict by means of negotiations, encouraging all activities that could open the way to a peaceful settlement. With the heightened tension in Bosnia-Herzegovina in recent days, it seems to me even more necessary to prove our highest political responsibility and avoid any hasty or emotional actions that could lead to the escalation of the military conflict. As a country situated close to Yugoslavia, Romania will spare no efforts to achieve a peaceful and urgent settlement, and in adopting this position we are also motivated by the considerable losses and the difficulties caused by the measures connected with the embargo, as well as the entire Yugoslav crisis in general. Thus, Romania is directly interested in the establishment of peace as soon as possible and the return to normality in former Yugoslavia. Romania will support the CSCE's efforts to settle this conflict. We are also ready to participate, according to our possibilities, in the reconstruction work that will be so necessary for all the post-Yugoslav state entities, once the war ends.

Mr. Chairman, at the same time Romania continues to be worried by the fact that—although four years have already passed since the breakout of the Dniester crisis—tension still persists in that eastern region of the Republic of Moldova, both in terms of security and the observance of basic human rights. The political settlement of the conflict in that region and the strengthening of the law-governed state, the consolidation of the independence and sovereignty of the young Moldovan state

can only be achieved if the foreign forces still present on the territory of that state are withdrawn. In that sense, together with the other states attending this pan-European conference, we welcome the signing, on 21 October of this year, of the Russian-Moldovan accord on the pullout of the 14th Army from the Republic of Moldova. We hope that the orderly, exhaustive, and unconditional withdrawal of the 14th Army and its massive armaments will take place under normal circumstances and in the view of the international community.

By granting the necessary support for the Republic of Moldova to be able to strengthen its independence and sovereignty, to ensure that country's access to European values and its integration within the democratic structures of our continent, the CSCE can also make a substantial contribution to the security and stability of a region that has been strongly affected by tension and conflicts.

Mr. Chairman, Romania assesses as positive the role played by the CSCE in its efforts to strengthen stability and security throughout Europe, in promoting and respecting joint assets, such as democracy, the law-governed state, and basic human rights and liberties.

We note with satisfaction the assertion of the pan-European conference's new vocation, namely that of preventative diplomacy. At the same time, we note with some regret that rather diminished attention is being paid to economic and cultural cooperation and to the development of human contacts. The countries currently in a process of transition, such as Romania, feel the need for more intensive cooperation and for equal treatment as partners, so as to overcome the barriers, divisions, and obstacles still hampering their integration into the structures of a united Europe.

For Romania, situated at the intersection of the great geostrategic axes of the continent, this problem is of vital interest. Therefore, the main orientation of the strategy of Romanian foreign policy is toward full integration into the political, economic, and security structures of democratic Europe. This basic option is irreversible. It is a decision that was taken from the first days of the Romanian revolution of December 1989 and is backed now, as then, by all the political forces in the country.

We note with satisfaction the rapid development of our ties with the European Union, the Western European Union [WEU], and NATO. Romania's association accord with the European Union [EU] will take effect in the coming future. WEU has already a complete presence in Romania through the joint mission that monitors the application of the embargo on the Danube in accordance with the UN Security Council decision. We would like to develop comprehensive relations with the WEU in the political, military, parliamentary, and scientific spheres.

Concerned with ensuring efficient guarantees for our security, I would like to reiterate, now on this occasion

too, Romania's firm desire to be admitted to NATO and fully to assume the obligations incumbent upon it. We want to be not only consumers, but also producers of security. We want to make our own contribution to peace, stability, and democratic development of the zone in which we are situated and of all Europe.

Romania's security concerns are supplemented by a series of measures that also envisage two other planes: First, Romania is conducting a policy of good-neighborliness and broad cooperation with its neighbors. We want fully to normalize, as speedily as possible, relations with all our neighbors and all the countries in the region by concluding bilateral political treaties in accordance with the principles of international law.

Here in Budapest, I would like to reiterate Romania's sincere desire to conclude such a treaty with Hungary, too. A historical reconciliation between Romania and Hungary would not only be very important for the future of our bilateral relations, but would also make a substantial contribution to peace and stability in Central Europe and the continent in general.

Romania has welcomed the EU initiative on the stability pact and we are participating in it, animated by good faith and a constructive spirit, with a view to attaining the goals of this initiative. Another sphere of our security concerns is the subregional area, which plays an important role for our economic development along the road to European integration. In this respect, Romania is interested in actively participating in cooperation projects in Central Europe, the Danube basin, and the Black Sea region. These projects are not and cannot be alternative solutions to European integration. On the contrary, these projects can make a practical contribution to the stability and development of our geographical zone. In the last instance, this is a prerequisite for European integration. In this respect, we hope that, after the resolution of the conflict in the former Yugoslavia, we will give a European meaning to multilateral cooperation in the Balkans, too.

Mr. President, in order to play its role in the new European structure, the CSCE must adjust its activities to the requirements of the 21st century by preserving the basic norms and principles that offered it its own identity, credibility, and particularly its democratic character and by ensuring the equal participation of all states in the decisionmaking process. Being aware of the role and responsibility of the great powers in the current international system, we also believe that the sovereign equality of the states must always be the cornerstone of the CSCE foundation, which has already proven its perfect viability over the years.

The declaration on a real partnership in a new stage, which we are jointly adopting at this important forum, has a profound political significance for us and a high emotional potential as well, because the partnership opens up an optimistic horizon of expectancy, hope, search, and action for what we all wish, namely a

peaceful, prosperous, and stable Europe. Europe is firmly animated by the steadfast desire to assert itself as an active partner in the construction of this European edifice. Thank you, Mr. Chairman.

Bulgarian President Zhelev

AU0512143994 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 5 Dec 94

[FBIS Translated Text] Bulgarian President Zhelyu Zhelev addressed the morning session of the CSCE Budapest summit.

In his address President Zhelyu stressed the CSCE's historical contribution to overcoming Europe's division and to the democratization of the East European states. In this context he especially mentioned the October 1989 Ecoforum in Sofia, which took place under the CSCE auspices. As Dr. Zhelev said, that forum facilitated not only a cleaner environment, but also cleaning the Augean stables of communism in Bulgaria.

The changes in Europe surpassed by far the expectations of the authors of the Helsinki principles, President Zhelev said. After the disintegration of the Warsaw Pact most of the East European states found themselves without sufficient foreign policy guarantees for their national security. Certain regional arms balances, included in the Conventional Arms Treaty, obtained different dimensions. An imbalance emerged in the Balkan region, and it continues to strengthen.

According to the president it is necessary to effect stability through the maximum and flexible utilization of the potential of the CSCE and the other European and Euro-Atlantic organizations, without establishing a special hierarchical system or a line of subordination.

Further on President Zhelev called for utilizing without any reservations all political and material resources of the CSCE in the conflict in former Yugoslavia.

We rely on the understanding and specific cooperation of the CSCE in anything related to compensating the countries that have been afflicted with losses by the Yugo-embargo. This especially applies to countries which are in the process of transition and thus much more vulnerable to the negative consequences of the loss of markets and investments, the Bulgarian president pointed out.

Polish President Walesa

LD0512134294 Warsaw PAP in Polish 1238 GMT 5 Dec 94

[By PAP correspondents Michal Gluski and Wojciech Kazmierczak]

[FBIS Translated Text] Budapest 5 Dec (PAP)—President Lech Walesa, speaking at the CSCE summit in Budapest today, affirmed Poland's striving for membership of NATO and the European Union [EU]. At the

same time he warned that no state has the right to obstruct another in such strivings. He came out in favor of a strong and effective CSCE, in which all countries have equal rights.

"Poland," the president said, "has always been a part of Europe. Our striving for participation in the political and economic structures of our continent, including NATO and the EU, is therefore natural and sovereign. No state that recognizes these values has the right to obstruct another in its strivings." Walesa added that Poland does not want Europe to be divided again, it wants to break through the old divisions and exclude the possibility of new ones coming into being.

The president recalled that the Warsaw Treaty was dissolved in order that a single secure Europe could be created. "That can be achieved," he stressed, "by entering the victorious European structures. States that accept that solution and conform to it must not be held back by the others—those that do not abide by the rules and are not prepared to abide by them."

Referring to the role of the CSCE, Walesa said that "Poland is convinced that the CSCE remains an essential element in the shaping of the future of the entire continent, of strengthening cooperation, common values, and the indivisibility of security. It constitutes an important element of Polish security policy. Its pillars are: friendly relations with neighbors, cooperation, and in the future full participation in NATO and the EU, the creation of a pan-European system of agreements and undertakings within the framework of the CSCE process."

The president stressed that Poland is working to promote the consolidation of the CSCE. "Adopting the code of security principles, we undertake to abide by the norms regulating international coexistence. In so doing, we are creating an important tool for assessing how our declarations accord with [our] behavior, for assessing our credibility as a partner in the construction of a safe, war-free continent," the president said.

Walesa Changes Speech

LD0512132394 Warsaw Radio Warszawa Network in Polish 1200 GMT 5 Dec 94

[FBIS Translated Text] Speaking at the CSCE meeting in Budapest, President Lech Walesa has said that no one should obstruct Poland in its strivings for NATO membership. The Polish president stressed the role of the CSCE in stabilizing policy on our continent.

According to a Polish Radio correspondent, Lech Walesa changed the contents of his speech at the last minute after hearing Boris Yeltsin's speech, which upheld Russia's negative position on the plans to expand NATO to include the European countries of the former Eastern Bloc.

In the original version of Lech Walesa's speech, his position on the NATO issue was not underscored so

clearly. The Polish president also said that Poland was striving to enter European structures like the European Union and the North Atlantic Alliance in a natural way, on account of its geographical position.

Russian President Yeltsin Addresses NPT Signing

LD0512134594 Budapest MTV Television Network in Hungarian 1033 GMT 5 Dec 94

[Speech by Russian President Boris Yeltsin at the signing of the Nuclear Nonproliferation Treaty, NPT, in Bartok Hall at the Budapest Convention Center in Budapest—live relay; in Russian with superimposed translation into Hungarian]

[FBIS Translated Text] A very significant agreement has been signed with the participation of the United States and Great Britain. This also puts an obligation on Ukraine, and the memorandum that was signed today also gives the international community a guarantee regarding the country's nuclear-free status.

Ukraine, as a nonnuclear power, can await its future without any fear. We are of the view that the memorandum regarding the security of Ukraine, Belarus, and Kazakhstan shows wisdom; and in the wake of this Russia will strive to establish special friendly and brotherly relations with the CIS member states, our neighboring countries.

Russia will take action to make this movement and tendency for progress irreversible. Thus, a new prospect opens up to the CSCE, the radicalization of further progress to reduce the nuclear weapons arsenal. Today we confirmed the agreement with joint efforts in the interest of reducing nuclear weapons. We look forward to the continuation of this agreement in 1995. In the spirit of this I greet all participants in the ceremony. Thank you.

Ukraine's Kuchma Speaks

LD0512141094 Budapest MTV Television Network in Hungarian 1036 GMT 5 Dec 94

[Speech by Ukrainian President Leonid Kuchma after signing the Nuclear Nonproliferation Treaty in the Bartok Hall of the Budapest Convention Center in Budapest—live relay; in Ukrainian with superimposed translation into Hungarian]

[FBIS Translated Text] We must eradicate nuclear weapons all around the world. Therefore we welcome the countries represented here for having stood by us in these efforts. This path is not very easy, and for this reason I would like to give special thanks to President Clinton, President Yeltsin, and British Prime Minister John Major, because they understood the special situation we had to resolve in Ukraine, in connection with the deployment there of the former Soviet Union's nuclear

force, and they are guaranteeing security for our country following the signing of the Nuclear Nonproliferation Treaty.

This is an unprecedented step, the outstanding international event of the year, which constitutes a new era in the process of nuclear disarmament. In the course of interstate relations, the prime ministers of Ukraine, Russia, the United States, and Great Britain are aware of the 1994 law adopted by the Ukraine parliament, through which our people declared that we wish to join the Nuclear Nonproliferation Treaty.

At the CSCE summit meeting we are now conferring about the steps necessary to ensure European security, stability, and the security of the entire world. In this framework, this event holds special symbolic significance for me, especially since we have always been concerned in some manner, directly or indirectly, with the production of nuclear weapons.

For this reason, I would like to express my conviction that the heads of state gathered here will in the same manner reaffirm their commitment to the building of a peaceful world. [applause]

Yeltsin Calls For Enhanced CSCE Activities

LD0512220194 Moscow ITAR-TASS in English 2137 GMT 5 Dec 94

[By ITAR-TASS correspondents Lyudmila Alexandrova, Sergey Zhirnikhin, Yuriy Sizov]

[FBIS Transcribed Text] Budapest December 6 TASS—Russian President Boris Yeltsin addressed Russian journalists on Monday [5 December], saying that during the session of the CSCE heads of state and government on Monday, proposals were made calling for certain reorganization of the CSCE for purposes of enhancing its effectiveness.

Yeltsin pointed out that currently, the CSCE has no military contingent of its own to make peace-keeping efforts in hotbeds of tension. "It appears that Russia deals with the settlement of conflicts in hotbeds of tension only among its neighbors, which is not fair," the president added.

He pointed out that during his talks with the French President Francois Mitterand he came out for the creation of a single peace-keeping corps, which would include military contingents of different countries.

Mitterand 'Proud' of French Policy in Bosnia

AU0512200394 Paris AFP in English 1934 GMT 5 Dec 94

[By Jacques-Michel Tondre]

[FBIS Transcribed Excerpt] Budapest, Dec 5 (AFP)—French President Francois Mitterand issued sharply worded criticism of Washington Monday over U.S.

policy in Bosnia and its support for rapid expansion of NATO membership despite Russian opposition.

Mitterrand, who did not mention the United States by name, said the North Atlantic Treaty Organisation had failed to take into account Russia's historic fear of being surrounded.

Ignoring a text prepared by aides the 78-year-old French leader told the Conference on Security and Cooperation in Europe Summit that the expansion of NATO eastwards "means to the Russians that the West's military border is approaching theirs, which cannot be denied.

"Nothing could be worse than to give the impression that we are recreating the blocs" which existed during the Cold War, added Mitterrand, who spoke immediately after 30 minutes of talks with Russian President Boris Yeltsin. [passage omitted]

In his 20-minute off-the-cuff address Mitterrand said, however, NATO had to find a way to meet the aspirations of former Warsaw Pact states oppressed by Soviet communism, and who "are looking for protection from a return to such a situation."

As for Russian fears of isolation he said history showed "many military conflicts have been born of mental obsessions and, often, imagined fears."

On Bosnia Mitterrand laced his comments with irony, attacking "magnificent speeches in which free people are encouraged to defend those who have right on their side," adding "but I see fewer of them on the ground."

That was a reference to U.S. calls for stronger military action by NATO to punish Bosnian Serb attacks on UN-declared "safe areas," notably in Bihac in north-western Bosnia, but Washington's refusal to commit ground troops to peacekeeping duties in Bosnia.

U.S. policy in Bosnia has angered France and Britain, who both have large peacekeeping contingents in Bosnia and who fear a hardline response to the Serbs will put their forces at risk.

He reaffirmed French opposition to a lifting of the UN arms embargo which has deprived the Moslem-led Bosnian Government of weapons to oppose the rebel Bosnian Serbs, saying such a move would "encourage the politics of annihilation."

Mitterrand said there was "no CSCE solidarity" over the situation in the former Yugoslavia, adding "the CSCE has failed on the ground."

French leaders were "hurt and offended when they hear it said that France could be responsible for what has happened in Bosnia," he said answering charges by Bosnian President Alija Izetbegovic earlier that France and Britain had "from the start assumed the role of Serbia's protector."

"Many things are said, in my view for no real reason, except propaganda," he said.

Mitterrand concluded: "There are those who favour war until the bitter end and there are those who favour dialogue. I have made my choice, and when people attack me for it, I am proud."

Meets Hungarian President

LD0512233194 Budapest Kossuth Radio Network in Hungarian 2200 GMT 5 Dec 94

[FBIS Translated Text] France considers it a correct policy that Hungary does not want any tension in Hungarian-Russian relations in connection with NATO's expansion. At the same time, it also understands those reactions that are being evoked out of Moscow by the plan to extend NATO, because with that the border of the West would draw closer to Russia. This was discussed at the meeting of Francois Mitterrand, French head of state, and Arpad Goncz [Hungarian president]. The president of the Hungarian Republic said our country would like to integrate into Europe with the participation and support of Germany and France.

Croatian President Meets Clinton, Izetbegovic

LD0512133794 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 5 Dec 94

[FBIS Translated Text] Our correspondent from Budapest reports that President Tudjman has had talks with President Clinton. Several minutes ago President Tudjman, U.S. President Clinton, and Bosnia-Herzegovina Presidency President Alija Izetbegovic began a meeting in the Budapest Congress Center, where the CSCE summit is taking place. It has been unofficially learned that they are discussing the current situation in Bosnia-Herzegovina and Croatia. Madeleine Albright, U.S. ambassador to the United Nations, is also attending the talks.

Tudjman on Talks With French, UK Ministers

LD0512233894 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 5 Dec 94

[FBIS Translated Text] Tonight, President Franjo Tudjman talked to Croatian reporters about today's CSCE meeting.

[Begin Tudjman recording] From Croatia's point of view, my talks with the two EU ministers who visited Belgrade yesterday were very interesting. [Words indistinct] pointed out that Croatia would continue its constructive policy. For my part, I gave them assurances that Croatia would continue its constructive policy in seeking a peaceful solution. However, if this agreement which we signed with the Serbs is not implemented, is not brought into being, then on no account will Croatia extend UNPROFOR's [UN Protection Force] mandate. This is what I also said at my meeting with President Clinton. [Words indistinct] these talks were very interesting. It

should be stressed in particular that I told these gentlemen, the representatives of France and Great Britain, that there is no way Croatia could make any territorial concessions whatsoever, as could be heard from certain foreign sources.

It gives me pleasure to inform the Croatian public that both the British and French foreign ministers unequivocally declared that from their point of view such a thing would be out of the question; this means that they recognized the territorial integrity of Croatia.

The convergence of views between us and Europe is illustrated by the fact that everything should be done to find a peaceful, political solution; if not, the conflict in Bosnia-Herzegovina might threaten not only to escalate but to turn into a disaster with unforeseeable consequences. [end recording]

After it had transpired that Serb forces were employing the most extreme Bolsheviks in the guise of nationalists and that the mujahedin were fighting on the side of the Muslims, it became clear that a possible UN pullout might result in much bloodier conflicts than recorded in World War I. President Tudjman went on to say. This is also the road to the lifting of the sanctions, Clinton, Hurd, and Juppe believe. We learned in a talk with the Russian minister that Russia's position was that they would try to persuade the Serbs to accept the option of negotiations, President Tudjman added.

According to him, all these international forces have acknowledged Croatia's policy and its effort to resolve the crisis peacefully and create preconditions for setting up a new international order. It is we who are expected to come up with suggestions for these solutions as it is obvious that as yet the world's important factors have no solution of their own. The Croatian president suggested NATO as a vehicle for the implementation of such a solution—not an ideal one because there are no ideal solutions but only generally acceptable ones. He finally said that, according to some signals from Serbian sources, there are indications that the rebel Serbs in Bosnia could soon relax their standpoints.

Havel on Summit: Russia Should Not Be Excluded

LD0512190494 Prague Radiozurnal Radio Network in Czech 1600 GMT 5 Dec 94

[FBIS Translated Excerpt] President Vaclav Havel is heading the Czech delegation at the current Budapest CSCE summit. He met Czech journalists today, who also included our special correspondent Martin Dorazin.

[Dorazin] President Havel told the journalists about the preparation of the text of the CSCE basic documents which should delimit more clearly the role of the Helsinki conference and its relationship toward the other European and world organizations. Vaclav Havel said:

[Begin Havel recording] From our viewpoint it is important that the document on the security model for the 21st century, as well as the document on the CSCE, its structure, and its future appearance and identity, stress that every state has the right freely and according to its will to choose the organizations of which it wants to be a member and simply decide about its position, its place in the security architecture, not only European, but of the entire area around the CSCE. That is very important for us, I think.

We are building on the viewpoint that Russia cannot be isolated, it cannot be expelled from Europe. One has to respect it as a major Eurasian great power with its particular gravitational field, and an institutional space must be created for a lasting dialogue with Russia and with the entire CIS, which in this case means a certain strengthening of the CSCE, stressing its significance because it is one of the forms of this permanent dialogue. At the same time, however, we think that it must function as a background for the individual regional structures, including security ones, so they might develop naturally as they themselves want, as they themselves see fit, and so that the entire structure can function and be of use only if everybody finds himself where he feels he belongs, including the expansion of NATO in the direction of Central Europe. [end recording] [passage omitted]

Azerbaijan FM Hasanov on CSCE Peacekeeping

NC0512220594 Baku TURAN in English 1336 GMT 5 Dec 94

[FBIS Transcribed Text] Budapest, December 5 (TURAN)—“One of main issues of the present summit is discussion of the problem on creation of the CSCE's peacekeeping forces and their dispatch to the zone of Armenian-Azeri conflict,” TURAN correspondent in Budapest was told by Azerbaijan's Foreign Minister [FM] Hasan Hasanov. “From our point of view we have done a great work, a serious document, conception of which coincides with our understanding of the settlement of the conflict. At the same time, there are some points, which cannot be admitted at the summit, as most of the CSCE's decisions are adopted by method of consent,” noted Hasan Hasanov. According to him, these contradictions can be eliminated during the meeting of Russia's, Azerbaijan's and Armenia's presidents.

According to Minister these contradictions consist of the facts, that most members of the CSCE consider that a decision of the formation the CSCE's peacekeeping forces for their dispatch to the zone of Armenian-Azeri conflict should be adopted, but Russia opposes that.

Hasanov noted that Azerbaijan's position on that issue coincides with the CSCE's position, and not with the interests of West or Russia. “Azerbaijan does not want a confrontation between them, and that is why Azerbaijan is conducting a balanced policy,” said he.

According to Hasanov, many provisions of the document on intensification the CSCE's efforts in Nagorno-Karabakh were formed, as well as confrontation relations between West and Russia in the settlement the Karabakh conflict had been eliminated. "Many people has already adopted a formula of certain participation of peacekeeping forces in the solution the conflict, although earlier many countries did not take that proposal seriously. Kazimirov said more than once, that it was impossible, as the West would never come to Azerbaijan, after the Bosnia," said Hasanov.

Responding to the TURAN correspondent, if the difficulties of the Bosnia's crisis will affect the efforts of the CSCE on the settlement the Karabakh conflict, Hasanov noted that international effort could be effective, only when there is a consent of the countries to solve the conflict politically. Azerbaijan believes, that peacekeeping forces should come to the region only after signing the Major Political Agreement, and Armenia wants the peacekeeping forces to be located in the region prior to the adoption of political decision. "If the world community will follow the first way, there will not be an analogue to Bosnian conflict in Karabakh, believes Hasanov.

Slovak President Meets With Yeltsin, Goncz

LD0512185894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 5 Dec 94

[FBIS Translated Excerpt] Our correspondents Jan Baranek and Gregor Martin Papucsek report about bilateral talks at the CSCE summit in Budapest. [passage omitted]

[Papucsek] The agenda of Slovak President Michal Kovac was also busy today. He had a number of bilateral talks. At 1600 hours he met Hungarian President Arpad Goncz in parliament, and about an hour ago he met Boris Yeltsin here in the Congress Center.

[Baranek] This is what Slovak Foreign Minister Eduard Kukan told us about these talks.

[Begin Kukan recording] The meetings with the Hungarian president have become traditional. They have confirmed the interest of the two main state representatives in the constructive relations between Slovakia and Hungary, so that headway could be made in them. [end recording]

Presidents Kovac and Yeltsin exchanged ratification documents on the Basic Treaty which in reality brought this treaty into effect. Some bilateral meetings in the political sphere were also agreed.

President Yeltsin confirmed that Prime Minister Chernomyrdin would soon pay a visit to Slovakia. The two statesmen agreed that the Slovak president would visit Moscow in March next year. [end recording]

Zhelev Meets With Tudjman, Gligorov, Berisha

AU0612105094 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 6 Dec 94

[Report by Gita Minkova from Budapest]

[FBIS Translated Text] Since yesterday our CSCE delegation's program has been completely devoted to the Balkans.

President Zhelev's meeting with his Croatian counterpart, President Tudjman, basically focused on the upcoming signing of the Bulgarian-Croatian Cooperation Treaty, which is expected to take place at the beginning of 1995. President Zhelev invited President Tudjman to pay Bulgaria an official visit.

After President Zhelev's talks with Kiro Gligorov, president of Macedonia [The Former Yugoslav Republic of Macedonia], which continued for almost one hour, it became clear that the meeting dealt with bilateral relations. As the Macedonian president told Bulgarian reporters, the two presidents directed their attention to the construction of a system of transportation links between the two countries.

Albanian President Sali Berisha described his meeting with President Zhelev as very friendly. He told Bulgarian reporters that specific projects aimed at expanding cooperation were discussed. Opinions regarding the complex situation in the Balkans were exchanged.

At this moment our president is meeting Geydar Aliyev, president of Azerbaijan. Afterward, President Zhelev will visit the Hungarian parliament, where he will meet Hungarian President Arpad Goncz.

Walesa, Olechowski on NATO Boundaries Dispute

LD0512215094 Warsaw TVP Television Second Program Network in Polish 2000 GMT 5 Dec 94

[Relayed by TV Polonia Network]

[FBIS Translated Excerpt] A dispute over the boundaries of NATO has dominated the meeting taking place in Budapest of the heads of state and governments of the 52 member-countries of the CSCE. [passage omitted]

[Begin President Lech Walesa recording, speaking to correspondents outside meeting] I replied straight away, correcting my speech, that if we wish to create anything at all in Europe we must adopt European parameters. These parameters state that every nation is free, that every state chooses its partners for itself, and that another one that wishes to be in this Europe and to play a role that is, that is also in some sense reasonably large, must accept precisely these parameters. [end recording] [passage omitted]

[Begin Foreign Minister Andrzej Olechowski recording, to correspondents outside meeting] After all it is you who will decide what NATO will be like, after all it is Russia

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who will decide what NATO will be like. So, one could say that Russia has a right of veto [laughs] and has foundation rights in relation to NATO. NATO will be such as Russia will be. If Russia is cooperative, willing to cooperate, willing to jointly make decisions on European security and on the security of the entire, of the entire Transatlantic arena, then we will have a single Europe, we will, in my view, have a Russia that is prosperous and a Poland that is secure. If Russia, on the other hand, is as we heard today, and constantly feels NATO to be an American war machine, for this was in part what was said, that it is not agreed that decisions should flow from a single, from one capital, and NATO will raise its hackles at this, then we will have two camps. [end recording] [passage omitted]

CSCE Summit Documents Almost Finalized

LD0612091794 Budapest Kossuth Radio Network in Hungarian 0800 GMT 6 Dec 94

[Report by Anna Gulyas from the CSCE summit in Budapest]

[FBIS Translated Text] Most of the points of the CSCE summit's closing document and the resolutions that deal with the detailed issues were finalized overnight. We have agreed on almost everything, Ambassador Istvan Gyarmaty, executive secretary to the United Nations, told Hungarian Radio.

Two issues remained open. The heads of state and government are expected to conclude an agreement on the relationship between the CSCE and the United Nations. The other issue is the Yugoslav crisis: A number of member states believe that while war is raging so intensely it is not worth passing resolutions about reconstruction.

The ambassador stressed that the political declaration acknowledged the importance of democratic transformation and highlighted that the emerging conflicts did not cast doubt on the positive nature of the pan-European cooperation process, in which every member state wanted to take part so that a Europe which is united and free indeed could come into being.

They were able to find a solution to the Nagorno-Karabakh issue, which proved that Russia did not want to handle this area as a zone over which it had exclusive influence.

The code of conduct delineates completely new duties regarding democratic control over military forces.

Japan Ready for Active Role in CSCE

OW0612012494 Tokyo KYODO in English 0101 GMT 6 Dec 94

[FBIS Transcribed Text] Budapest, Dec 5 (KYODO)—Japan said Monday [5 December] it will be actively involved in the Conference on Security and Cooperation in Europe (CSCE). In a message handed over to the leaders of the 52 CSCE nations at its summit meeting which opened in the Hungarian capital Monday, Japan said it will actively cooperate with the CSCE in the future because of a belief that the stability of Europe is closely linked with that of Asia.

Japan, as an associate member, is attending the summit meeting of the CSCE, which was founded as a dialogue forum to bridge Cold War East-West confrontation. The CSCE groups most European states, Russia, the former Soviet republics, the United States and Canada.

Japan said in the message that it will support unconditional extension of the nuclear Nonproliferation Treaty. The CSCE nations should also pay attention to the danger of nuclear proliferation in Asia, such as the suspected nuclear development program in North Korea, Japan said in the message.

Japan also voiced support for the CSCE's scheme to change itself from a dialogue forum into an organization to enhance its ability to resolve regional conflicts. Japan said it backs a plan to send a peacekeeping force for the troubled enclave of Nagorno-Karabakh, one of the former Soviet Union's worst trouble spots. An agreement to send a peacekeeping force to the region has been held up because of the opposition of Russia, which aims at retaining influence there.

Goncz: CSCE Summit Creates 'Common Approach'

LD0512210194 Budapest Kossuth Radio Network in Hungarian 2000 GMT 5 Dec 94

[FBIS Translated Text] According to the Hungarian president, the great historic achievement of the European security conference is that it has created a common approach for the countries of the continent.

Arpad Goncz was speaking before high-ranking guests at the gala dinner that closed the first day of the Budapest summit. He said that a joint political will could play an extraordinary role in preventing and overcoming crises. Goncz said that as the current chairman of the organization [CSCE], Hungary will do everything it can to better the cooperation of the countries of the Helsinki process.

President Berisha Replaces Nine Ministers

AU0612104894 Tirana TVSH Television Network in
Albanian 1900 GMT 4 Nov 94

[Decree No. 973 on release and appointment of a number of ministers issued by Albanian President Sali Berisha in Tirana on 4 December 1994]

[FBIS Translated Text] Based on Article 28, Clause 7, of Law No. 7,491 dated 29 April 1991, on main constitutional provisions; and at the proposal of the chairman of the Council of Ministers, Sali Berish, president of the Republic of Albania, decrees:

Article 1

1. Mr. Bashkim Kopliku is released from his duties as deputy chairman of the Council of Ministers for economic reform, which position was abolished in the cabinet reshuffle, and is given other duties.
2. Mr. Kudret Cela is released from his duties as justice minister and is given other duties.
3. Mr. Pirro Dishnica is released from his duties as finance minister and is given other duties.
4. Mr. Selim Belortaja is released from his duties as industry and trade minister and is appointed secretary of state for foreign economic relations at the Ministry of Foreign Affairs.
5. Mr. Ilir Manushi is released from his duties as minister of construction, housing, and area planning and is given other duties.
6. Mr. Dhimiter Anagnosti is released from his duties as minister of culture, youth, and sports at his own request.

7. Mr. Fatos Bitincka is released from his duties as transport minister.

8. Mr. Edmond Spaho is released from his duties as tourism minister and is given other duties.

9. Mr. Eduard Ypi is released from his duties as chairman of the Committee of Former Political Persecutees.

10. Mr. Rexhep Uka is released from his duties as minister without portfolio for local government problems and is given other duties.

11. Mr. Agron Musaraj is released from his duties as public order minister and appointed interior minister.

12. Mr. Dashmir Shehi is released from his duties as minister of labor, emigration, and social assistance and is appointed deputy chairman of the Council of Ministers and minister of construction of tourism.

13. Mr. Dylber Vrioni is appointed deputy chairman of the Council of Ministers and finance minister.

14. Mr. Albert Brojka is appointed minister of industry, transportation, and trade.

15. Mr. Njazi Kosovrasti is appointed secretary of state for local government at the Interior Ministry.

16. Mr. Hektor Frasheri is appointed justice minister.

17. Mr. Teodor Laco is appointed minister of culture, youth, and sports.

Article 2

This decree takes effect immediately.

DAR Official on Coalitions, Foreign Policy

AU0512164794 Sofia PARI in Bulgarian 29 Nov 94 p 4

[Interview with DAR Co-chairman Aleksandur Tomov by Ivo Zhelev; place and date not given: "The DAR Dissociates Itself From the Political Culture of the 1940s"]

[FBIS Translated Excerpt] [Zhelev] It is well known that a coalition's total vote in an election is usually lower than the total of what each of its partner's votes would have been had they had participated in the elections separately. What do you think the votes of the Democratic Alternative for the Republic [DAR] and its partners would have been had they participated in the elections independently?

[Tomov] There is probably something in what you say. Sometimes a combination of two parties is better than one of four or six. Our case, however, is completely different. We have aimed at establishing a sufficiently strong alternative, one that unites the maximum number of centrist parties. I think that, generally, we have succeeded, and that our success was not accidental. The DAR is currently the strongest alternative political group. [passage omitted]

[Zhelev] What was the nature of the differences between the DAR and the Patriotic Alliance? Did you fear a recurrence of the situation in which the Union of Democratic Forces [SDS]-Center and SDS-Liberals found themselves in 1991?

[Tomov] Ours is a completely different case. I cannot hide the fact that certain circles in the Patriotic Alliance wanted to work together with us. Nor can I hide the fact that certain circles within the DAR wanted to unite. Two basic factors prevented such a unity. First, a lot of time was lost. Two unions instead of one were created. Two alternatives emerged—one more powerful, the other weaker. The time lost prevented us from resolving the situation from a technical point of view. However, there was also a fundamental difference: namely, that the Patriotic Alliance simultaneously decided to form a union with us and with the Bulgarian Socialist Party [BSP]. We assessed that whoever attached himself to one of the two major parties would lose voters and would in effect deprive the people of an alternative. Why should the people vote for somebody who supports the BSP? It would be better to vote for the BSP, which is the larger party anyway. This is the natural political logic. Unfortunately, the agreement between the BSP and the Patriotic Alliance took place after the start of talks between us, and without our being notified. We tried to find a bridge between us but unfortunately this proved impossible. [passage omitted]

[Zhelev] In your view, what are Bulgaria's foreign policy alternatives? Do you think there is a nation for which Bulgaria represents a foreign policy priority?

[Tomov] I think that it would be wrong to attach ourselves to another Big Brother superpower. We view the Balkans as our basic foreign policy priority, and I think that Bulgaria must play a more active and balancing role in the Balkans. If Bulgaria attaches itself to one of its southern neighbors or forms an axis or an alliance, this would disrupt the balance in the Balkans as a whole and could prompt the development of a more massive regional war. The DAR is a political force that is viewed equally well in Greece, Turkey, Romania, Macedonia [the former Yugoslav Republic of Macedonia—FYROM], Serbia, and Albania. Therefore, we are in favor of this balance, which is necessary for our country. Anything else that could happen, any attachment to the orthodox or unorthodox line, could hurt the country and its interests. The same applies to the socioeconomic factor. I am convinced that we need substantial foreign investment. Our program talks about \$2 billion over the next two years. This is a very ambitious project but in this context I would say something that may sound immodest to you: Having signed the agreement between the Civic Alliance for the Republic and Yegor Gaydar's party [Russia's Choice], I think that we have serious political friends both in the Russian Government and in democratic circles in the West.

[Zhelev] Could you say that Bulgaria is one of Russia's priorities?

[Tomov] Russia is a superpower. Bulgaria equally needs the European Union, without which it could not achieve stability or economic prosperity, and the eastern markets. This is well understood by Washington, Paris, and Bonn, because we are conducting an active foreign policy. I think that such a bridge structure for our country's foreign policy and economic strategy is the most suitable for Bulgaria both now and in the future.

Visiting Minister Advocates NATO Expansion

AU0512145194 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 5 Dec 94

[FBIS Translated Text] Leo Delcroix, minister of national defense of the Kingdom of Belgium, arrived in Bulgaria on an official visit on 5 December. This is what he said upon arrival at Sofia airport:

[Begin Delcroix recording, in French fading into Bulgarian translation] I will sign an agreement on military cooperation between the two countries in which we will specify our intentions. The Partnership for Peace program offers good opportunities in this direction. I think that in four to five years, Bulgaria should become a full-fledged NATO member. The irritation of certain countries with NATO's expansion is understandable, but NATO is an autonomous organization and it will continue to expand regardless of the desires of this or that country. [end recording]

Klaus Blames International Community for Bosnia
AU0612091394 Prague DENNI TELEGRAF in Czech
2 Dec 94 p 3

[Interview with Prime Minister Vaclav Klaus by Viktor Krejci in Prague on 1 December: "The Norwegian Decision Is a Part of an All-European Process"]

[FBIS Translated Text] [Krejci] Norwegian citizens in the referendum did not approve of their country's joining the European Union [EU]. What do you think is the reason for this?

[Klaus] First, I respect the Norwegian decision, and it seems to me rather unfair to foist upon them some intentions as is being done today on the all-European scale. Incidentally, numerous referenda on joining the EU ended with results not much different from the Norwegian one, with only tenths of a percent dividing a "no" from a "yes."

The Norwegian decision is a part of the one and only all-European process, wherein the population of this ancient continent is divided over whether to rid itself of the nation state as the basic entity on which the future is to be built. The split is real, it exists, and to close one's eyes to it is completely wrong.

[Krejci] Is the referendum a suitable form even for us, when, in the future, we will be deciding on joining the Union?

[Klaus] My general view on referenda is well known. We are a country based on indirect, representative democracy, and therefore I believe that parliament rather than a vote should decide. On the other hand, I believe that the question of a country's joining the EU is a matter that involves a substantial loss of national and state sovereignty, and therefore it is a suitable occasion for a referendum.

[Krejci] Will you use the opportunity of the EU summit in Essen, to which representatives of the Czech Republic are also invited, to ask Chancellor Kohl about his statement that Poland should be the first to be admitted to the Union as a member?

[Klaus] Six Central or East European countries will participate in part of the two-day EU summit. Within its framework, there will be talks for approximately 90 minutes. I cannot imagine that representatives of the nonmember countries, such as ourselves, will have a chance of more than a 10-minute presentation. Absolutely no bilateral talks between any parties are expected at this meeting. Nevertheless, I can already see how, on my return, I will be continually asked whether we settled this statement, the Sudeten German issue, war damages, and so forth with Helmut Kohl. There will be no time, however, to deal with such issues in Essen.

[Krejci] Will you react in some way in your contribution?

[Klaus] Certainly not. It was a marginal statement during Chancellor Kohl's address to parliament, and it was not part of a prepared text. Hence, it was an addendum, a departure from the text. So, I would definitely not give too much weight to these few words.

[Krejci] In the context of the fighting in Bosnia, the opinion has again emerged that European politics has failed overall, as has NATO. How do you feel about this?

[Klaus] NATO has not failed because it has been respecting higher political decisions. Something entirely different has failed: the ability of the world to reach an agreement in time (at the outset) on how to enter the Bosnian conflict, when it was still possible and a simple solution could have been implemented. The international community failed at any event at that time and also because it had a rather one-sided view on the issue, which is only recently becoming balanced. It is precisely because this view is becoming more balanced that uni-directional and one-sided solutions seem unfeasible.

[Krejci] One of the coefficients in increasing rents will be left for the government to decide. Can this coefficient also acquire a negative value—that is, could one correct the other two coefficients by applying this one?

[Klaus] The coefficients will not have a positive or negative value but, rather, will be greater or smaller than one because we are talking about a multiplicative rather than an additive formula. So, the question is whether the government expects to push the value of this coefficient below one. The Cabinet will consider two things in assessing this coefficient: first, its interest in rents approximating their balanced, rational economic level and, second, whether the change is sustainable. Hence, it is clear that the faster the economic growth or the faster the real income of the population grows, the higher the coefficient the government can afford. Otherwise, it certainly would have to be smaller. Also, the lower the overall inflation, the more rents could be moved, and, vice versa, the higher the inflation, the less rents can be moved.

Havel, Claes Discuss Relations With Moscow

LD0512155794 Prague Radiozurnal Radio Network in Czech 1500 GMT 5 Dec 94

[FBIS Translated Text] During his meeting today with NATO Secretary General Willy Claes, Czech President Vaclav Havel expressed the Czech Republic's readiness to start talks next year on joining NATO. During their meeting in Budapest, he said that it is impossible to achieve permanent stability in Europe as a whole without achieving stability in Central Europe.

The two officials also discussed relations with Russia. They agreed that nobody intends to isolate Moscow. On the contrary, the aim is to build a new partnership with Moscow. Havel expressed the view that the CSCE could become the forum for such a dialogue.

Joint Czech-German Maneuvers in Bohemia

95CH0048A Frankfurt/Main FRANKFURTER
ALLGEMEINE ZEITUNG in German 9 Nov 94 p 6

[Article by Berthold Kohler: "Communicating With Hands and Feet"]

[FBIS Translated Text] "Jedeme" yells the captain at his troops, and they know what he means even without understanding him. The infantry soldiers jump in double time over ditches and barbed wire obstacles, squeeze through windows and narrow concrete pipes. All around there are bangs and flashes, gunsmoke drifts over the field. After a short time, the "enemy" has taken to flight. Of course, the real difficulties only begin with the maneuver critique. For the Czech officer led German recruits in the assault, and the captain speaks as little German as "his" Bavarian corporals speak Czech. Only the proven communication with hands and feet provides help. The Samopal 58 must be held lower, the captain demonstrates with two flicks of the wrist to the German rifleman. The latter, clearly under the weather from the social gathering of the previous day, laughs a little and nods. The Russian submachine gun is much lighter than the German G-3, says a German sergeant afterwards. It rests in the hand almost "like a toy gun."

Without Hammer and Compass

On the maneuver terrain near Janovice, district of Klattau in the Bohemian Forest, most uncommon scenes are taking place these days. In addition to the Czech flag, a German flag (without the former hammer and compass) also flies over the terrain. In the Czech staff building the Bundeswehr advertises its "strong troops" with high-gloss posters. It also takes getting used to, seeing German noncommissioned officers in Czech armored personnel carriers and German recruits on Czech trucks. For the first time in their history, Bundeswehr units hold joint maneuvers with the local army on Czech soil—the soldiers of both sides are wide-eyed. Within the framework of the NATO program "Partnership for Peace" (PFP), a German and a Czech company rehearse operations in crisis areas which could face both armed forces under a mandate by the United Nations. The Czechs have more experience in this than the Germans; a Czech battalion serves as a UNPROFOR unit in the Krajina. Together with the Germans, the Czechs under the leadership of a mixed battalion staff practice only what all of them have known for a long time how to do: vehicle control, patrols, medical service, house-to-house combat. Only, one has never done it jointly before. While Czech officers send their German-Czech troops across the maneuver terrain, Czech soldiers under Bundeswehr officers are training in the Bavarian Forest. They have it harder, since they have to drag the German G-3's over the terrain. For weapons do not cross the border. In the budding German-Czech friendship, more must be heeded than just customs regulations.

The companies come from the 113th motorized infantry battalion in Roding and from the 21st mechanized

brigade from Susice. These would have been the first units to shoot at each other, had the Cold War been transformed into a "hot" war. An artillery officer from Munich said it had been a strange feeling to look for the first time at his own observation post from "former enemy territory." "I think it's very good that things are different now," says a 20-year-old corporal from Hof in Upper Franconia, not far from the former GDR death strip. When the Wall fell, he was exactly 15 years old. To go on a maneuver in "Czech country" is a special feeling, says the man, dressed like all others in the new Bundeswehr battle fatigues.

Parliamentarian State Secretary Wilz, who has come to the Bohemian Forest representing his minister, also speaks of a "historic moment." [Defense Minister] Ruehe, known in East and West for advocating rapid NATO extension to the East, had been detained in Bonn by the coalition negotiations. So some Czech officials were initially worried whether this should perhaps be seen as a political signal. But Wilz dispelled these doubts immediately. Although this maneuver is only one step, it is an important one, on the way to NATO. Prague's Defense Minister Holan nods, satisfied.

The Czechs want to join NATO as soon as possible, so they place great importance on maneuvers with NATO troops. They had participated in the first multilateral "Partnership for Peace" exercise in Poland in mid-September, and also in the PFP maneuvers in the Netherlands at the end of October. In addition to the other PFP members from the East, units of the Bundeswehr had also taken part in it. But up to now, there had not been a purely German-Czech exercise. Hence in this premiere between Bavarian Forest and Bohemian Forest, the emphasis is less on soldiering than on confidence-building between the two armed forces. When asked about the probability of a joint UN deployment, Minister Holan says that a case of emergency is very different from an exercise. In a case of emergency, it would probably be better to deploy nationally uniform companies or battalions. The present exercise also serves improving bilateral contacts.

There have been hundreds of them since the fall of the Communist regime, but mostly on the staff level. By admitting Czech officers to universities and to the Bundeswehr Leadership Academy, the Hardthoehe [German defense ministry] strongly supports the transformation process of the Czech army from the Warsaw Pact model into an army organized according to NATO principles. The soldiers involved in bilateral relations are on both sides full of praise for the development of relations.

The Burden of the Past

However, the presence of German soldiers in Bohemia does not always meet with approval within and outside of the Czech Army. The burdens of history still weigh heavily, even five decades after the end of World War II and five years after the fall of the Wall. Memories have

not yet faded of the 1938 Munich Pact, under which Czechoslovakia had to cede the Sudetenland [to Germany], and of the destruction of the "remainder of Czechoslovakia" by Hitler a year later. The propaganda machinery of a Communist frontier state, running full tilt over decades, did the rest. It warned especially against the "militant revanchism" of the West Germans and the Sudeten Germans expelled from Bohemia and Moravia after the war. The Right-radical Czech Republicans, known for racist, antisemitic and anti-German slogans, take full advantage of still existing reservations and fears. Actually, they had announced "radical actions" against the "invasion" by German troops (within the framework of the exercise). They said that not even Breshnev had taken the liberty of inviting German troops to Bohemia in 1968. However, the announcement of the protest was the end of it. The Czech Republicans have other problems right now. Their chairman is being sought under an arrest warrant.

The maneuver "Kouba-Chamb" (named after a small border river) will end on Friday [11 November] with a joint muster in the market square of Cham, Lower Bavaria. There, the second mechanized brigade of the Czech Army and the 11th motorized infantry regiment want to seal a partnership, the first formal liaison between units of the two armies. The procedure will probably go as smoothly as did the storming of houses in Janovice. Marching music requires no interpreter.

Klaus on ODS-ODA Conflict, Fund-Raising

*AU0612110994 Prague LIDOVE NOVINY in Czech
2 Dec 94 pp 1, 3*

[Interview with Prime Minister Vaclav Klaus by Eva Martinkova in Prague on 1 December: "I Do Not Perceive Everything as Conspiracy and Subversion"]

[FBIS Translated Excerpt] [Passage omitted] [Martinkova] Would you comment on the fact that the Civic Democratic Party [ODS] and the Civic Democratic Alliance [ODA] in some city halls are acting not at all like coalition partners?

[Klaus] I would turn the question around: The ODA does not behave like a coalition partner. It is old news to us, and it does not surprise us at all. The fact that the ODA chose for this the situation after the local elections, which did not come out all that well for it, is a very surprising phenomenon. To form coalitions headed by the ODA against the political party that won by a great margin in the local elections in Hradec Kralove, for instance, is something I cannot understand, and it will definitely require a certain change in our conduct and strategy.

[Martinkova] Will the ODS repeat the fund-raising dinner with businessmen?

[Klaus] Over the year, I have dozens of dinners with businessmen. One of them acquired a certain status of dinner with a capital "D." Was it because it took place in

Prague rather than in a district town or because someone drew up, appropriately or not, the invitation? That is not the root of the problem. Such dinners are a permanent phenomenon, and I believe they will also take place in the future.

[Martinkova] The case of the Turkish businessman Yekta Uzunoglu is, according to police investigators, a classic scenario, according to which organized crime attempts to penetrate the top brass of political life. Do you believe such a danger exists? Are the politicians aware of it when they deal with people who woo their favors?

[Klaus] If you are quoting the investigators exactly, I have no idea how they came to such a conclusion. I do not believe anything like that exists. One meets willy-nilly dozens of people, most of whom he has never seen and whose names one immediately forgets. To educe from it some conspiracy and to see subversion in everything—no, that is not how I see the world.

If I am not mistaken, I met this Turkish businessman once in my life, and I cannot even recall what he looks like. It was at the time when my visit to Turkey, still as finance minister, was being prepared. It eventually did not take place because of lack of time. If my memory does not fail me, this businessman was in close contact with the Turkish finance minister and offered me his help in arranging the visit. Regarding his participation in the publication of books, I can only repeat that it was no ODS action. Several politicians were asked to contribute to an advertising publication of several dozens of our businessmen and bankers who paid for it. The booklet is not for sale. It is an advertising brochure of the firms that I was distributing to students, for instance. To derive from it ODS political propaganda is nonsense because Mr. Lux, for instance, also contributed to this booklet. It is also ridiculous to speculate on the basis of this book on contacts between organized crime and the political top brass.

Bankruptcy Law Stymies Bankruptcy Adjudication

*95CH0063A Prague PROGNOSIS in English 26 Oct 94
p 7*

[Article by Vladan Sir: "Bankruptcy Law a Disaster, Officials Say"]

[FBIS Transcribed Text] Not one wasteful, mismanaged Czech company has been liquidated in the two years following passage of a much-heralded bankruptcy law designed to weed out the thousands of inefficient enterprises that continue to plague the national economy.

The law, which grants any creditor the right to file a request for the government to declare the indebted company bankrupt, was to be a major part of Czech economic reform. Economists predicted it would help eliminate scores of moribund state-owned companies and offer new flexibility to the fledgling post-communist economy.

Although Czech commercial courts have accepted 2,698 filings for bankruptcy, not one business has been liquidated.

"At the moment, not a single case has been successfully completed," said Eva Summerauerova, head of the supervision department at the Ministry of Justice. This means the courts have yet to sell off a single company's assets and distribute the money among its creditors.

Legal experts and others who work within the current bankruptcy system say it clashes with and contradicts other legal regulations, including those it is supposed to be in agreement with, turning all legal proceedings into a vicious circle.

"The bankruptcy law has more holes than a strainer," said John Mandak, a commercial lawyer who works as administrator handling the property of several firms that are tied up in the bankruptcy process.

The bankruptcy law in its present form is so complex that it is extremely difficult even for the country's foremost experts to guide bankrupt companies through the legal process. Judges at commercial courts, lawyers at the Ministry of Justice and administrators of property for the bankrupt firms all agree on one thing: The law does not work.

Even the first step in the process, when creditors submit a proposal to declare a company bankrupt, can be frustratingly slow. The proposals are often riddled with errors because the lawyers who prepare them do not have enough experience with bankruptcies, according to Jindrich Jabornicky, vice chair of Prague's Regional Commercial Court.

"At the beginning there was not a single proposal that could be proceeded with," he said.

In addition, the bankruptcy proceedings are free of charge, which encourages creditors to file suits against companies that may actually be able to pay their debts. Jabornicky estimates that more than one-third of bankruptcy proposals are made in order to get a single debt paid back.

Both judges and administrators have problems communicating with the debtors, who often change their business activities, addresses and bank accounts without informing the court.

Mandak and Tamara Zabrodská, another commercial lawyer who acts as an administrator for bankrupt companies, have dozens of examples of how their work gets bogged down in the mire of bureaucracy.

For example, creditors—sometimes hundreds for one indebted company—are only allowed to lay claim to their money within 30 days of a declaration of bankruptcy. "A number of creditors don't even have the chance to find out that (a bankruptcy) has been declared," Zabrodská said.

But even after the 30 days have passed, any creditor can appeal the court's decision. "There is no deadline for when they have to do it," Zabrodská said. Even if a creditor appeals a year or more after the company is liquidated, she said, the company's administrator could conceivably have to reclaim any property that had been sold off and then divide it all up again. "What do you do then?" said Zabrodská.

A bigger bind for administrators is that if they follow accounting regulations while managing a bankrupt company's finances, they could be liable for the company's debts themselves. Accounting rules require that they sign or stamp certain documents, but, "If I signed them, I would (personally) accept those obligations," said Zabrodská.

Beyond the technical snags, larger problems have hamstrung the bankruptcy courts. Zabrodská and Mandak said banks appear to want to slow the entire bankruptcy process because the same debts that put companies in the red appear as assets in a bank's ledgers.

Banks have considerable portions of their total loans blocked in heavily indebted companies. If they proposed declaring those companies bankrupt, they would have to write the loans off as complete losses.

"If (bankruptcies) started happening to a large extent, it could affect the banks' solvency," Zabrodská said.

As a result of all the technical and legal imperfections, and because of the reluctance of many creditors to charge hugely indebted companies with bankruptcy, there is little hope that the bankruptcy backlog will be cleared or that the economic revitalization the current bankruptcy law was designed to affect will take place. [sentence as published]

"Technically, it's impossible to complete a (bankruptcy)," said Zabrodská. "At least completing one (bankruptcy) to the very end would show the way."

There is, however, hope that change is on the way. By the end of 1994, a Parliament committee will have prepared an amendment to the current bankruptcy law. Most lawyers and judges expect that the proposal will essentially create an entirely new law rather than just make a few changes.

Kukan: Desire To Join NATO Threatens No One

*LD0612122394 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 0600 GMT 6 Dec 94*

[FBIS Translated Excerpt] NATO expansion was discussed at a meeting between President Michal Kovac and Russian President Boris Yeltsin. In this context, we asked Foreign Minister Eduard Kukan about the stance of Slovak diplomacy toward Russia's determined attitude concerning the expansion of NATO.

[Begin Kukan recording] Our stance was confirmed at the recent meeting of the North Atlantic Cooperation Council. To us, full membership in NATO is one of the main priorities of our foreign policy. Today, President Yeltsin confirmed Russia's stance, projected earlier, that involves some concerns about NATO's expansion and worries about moving the borders of NATO to the borders of the Russian Federation. We do not think our ambition to join NATO via the Partnership for Peace threatens anyone. During our talks today, we again confirmed our interest in keeping friendly and politically balanced relations with the Russian Federation. We think and emphasize that Russia plays an indispensable role in the future security structure of Europe that is currently being formed. [end recording] [passage omitted]

HZDS Sets Date To Announce New Government

*LD0512201594 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1730 GMT 5 Dec 94*

[FBIS Translated Excerpt] The Political Board of the Movement for a Democratic Slovakia [HZDS] held a session in Bratislava today. The news conference began roughly an hour ago. Our editor Michal Tvarozek comes to our news bulletin with the essential information about the results of the meeting.

[Tvarozek] [Passage omitted] Asked about the formation of the new coalition government, HZDS Deputy Chairman Sergej Kozlik said that the distribution of the seats was clear, though by the time I was leaving the news conference he had not specified it. It is probably the known 10 plus three plus two seats division.

Kozlik also said that some speculations are already creating an unfavorable prelude to the formation of the government. Such rumors can destabilize our society, Kozlik said. The situation—that is, the economic situation—will not be easy, but such tension will not help anybody.

Sergej Kozlik indicated that the time between 10 and 15 December was the first realistic date for the formation of the new government. Asked about concrete names, he said that the negotiations were well under way.

Regarding the doubts whether the demands of the Association of Workers of Slovakia [ZSR] might develop from social to socialistic, Kozlik said that this was improbable because, as he added, before the negotiations

with the ZSR, they clarified these issues and agreed on realistic politics. [passage omitted]

ZRS Chairman Luptak Explains Party Policies

*AU0512130794 Bratislava NARODNA OBRODA in
Slovak 29 Nov 94 p 13*

[Interview with ZRS Chairman Jan Luptak by an unidentified PRACA reporter; place and date not given: "When the ZRS Can No Longer Stand By, It Will Assume the Reins"—reprinted from Bratislava PRACA in Slovak, Nos. 274 and 275]

[FBIS Translated Text] Abolishing limited liability companies set up on the basis of state enterprises was one of your 13 conditions for concluding an agreement on cooperation with any of the strong parliamentary parties. In the end, you have concluded an agreement with the Movement for a Democratic Slovakia [HZDS]. What do you intend to do together with the HZDS in this area, PRACA asked Association of Workers of Slovakia [ZRS] Chairman Jan Luptak in an interview it publishes in Nos. 274 and 275.

[Luptak] I know you can never achieve 100-percent justice. The people must know, however, that something useful is being done for the honest man. The government must take an interest in how the people of this country live. How many times have the gentlemen from the Ministry of Economy checked how state enterprises run their economic affairs? The minister should tell me what happened to all of the property that has gotten lost since 1989. Everyone thinks he can dispose of the property of this country's people as he pleases. It is a pity that our party did not come into being earlier. It would have resisted this.

[PRACA] A government able to rely on strong support in parliament is needed for this. Do you see a realistic chance of such a government coming into being?

[Luptak] We have made it clear to our partner that, if he does not take up the investigation of all of these things, we will have nothing to discuss with him. When you speak about a divided society, I believe that those who disagree with the present state of affairs represent the majority. The people of this country will make their choice in the next elections. If the people do not want to have us in parliament, we need not be there. We were all blue-collar workers before and are not afraid of work. We can afford to speak more sharply than everyone else because our hands are clean.

[PRACA] The attitude recently assumed by the Christian Democratic Movement [KDH] toward its possible support for a new Meciar-led government and the unwillingness of the HZDS to give up the positions it won in the night of 3-4 November, do not give great chances to the conclusion of an agreement with the Party of the Democratic Left [SDL], either. A situation could

come about in which you would be forced to go into the government, after all, even if for a long time you resisted this.

[Luptak] We must not allow anarchy in society to spread any further. We have not been in the government before, but, when all of the other parties reject the HZDS offer to govern, we will not be able to look on as people suffer. We will have to assume the reins and go into the government. There is no other way.

[PRACA] Before the elections, you repeatedly emphasized that, if the workers get into parliament, they will not undertake anything that would have anything to do with nationalization. But now you are proposing the passage of a law that would abolish so-called state limited liability companies, and you also backed the so-called nationalization law amendments passed at the second meeting of parliament. There appears to be a contradiction here.

[Luptak] When someone has committed a criminal act, he must be held accountable for it. People who have literally driven some factory into ruin will never return the lost property to the people.

[PRACA] How to do intend to prove the committing of criminal acts, given the presumption of innocence and that the courts needs years to deal with even far simpler cases?

[Luptak] There was a time when in-depth inspections used to be conducted in enterprises, and these were completed in three or four days. If the Supreme Inspection Office [NKU] wants to fulfill its duties, it will have to investigate individual privatization projects.

[PRACA] I have the impression that you want to rectify also the mistakes of your present coalition partner, the HZDS, which was in the government before and could have rectified the instances of unlawfulness to which you now refer. Does this mean you have agreed to eliminate them jointly?

[Luptak] Do not put all the blame on Vladimir Meciar. Moravcik's government was in power for five months, and I am asking how many charges it filed with the Prosecutor's Office. I avail myself of evidence that the former NKU chief, Jozef Olej, "halted" the investigations and forbade that anything be undertaken in several cases. How could he do it when he was nominated to that post by a left-wing party? Such people have no business being in politics, if they are not interested in uncovering anything. I told Meciar that his people will also be affected. I am a politician and must serve the people of this country.

[PRACA] Do you have any signals from your members base about what it thinks of your policy so far?

[Luptak] It will never happen that all members of a political party will be satisfied with the policy of its leadership. Decisions of such importance as joining the government, for example, must be made by the party's Republic Council or by a party congress. We respect our members base.

[PRACA] You said some time ago that the prime minister should govern more and the president of the Republic should be more of a figurehead. Could you decipher those words?

[Luptak] I think this would be better because they rather interfere in each other's powers. In the Czech Republic, Vaclav Klaus runs the state, and Vaclav Havel represents it.

[PRACA] Meciar said it was he who had sent you and [Slovak National Party Chairman] Jan Slota to the president. Your meeting with the president has not taken place yet. When you call on him, whose message will you deliver, your own or Meciar's?

[Luptak] We consider the case of the president closed and will not cast doubt on the presidency. Meciar does not have the right to send me anywhere.

Claes Views Yeltsin's Speech on NATO Expansion

LD0512210894 Budapest Kossuth Radio Network in Hungarian 2000 GMT 5 Dec 94

[FBIS Translated Text] At the security conference summit in Budapest, NATO's secretary general reaffirmed that they are studying the possibility of the expansion of the organization. Willy Claes, meeting Hungarian Prime Minister Gyula Horn, said that Russian President Yeltsin's speech had not come as a surprise to him, since NATO leaders know that Russia is opposed to the expansion of the defense organization. At the same time, Brussels decidedly wishes to open up toward those wishing to join, but neither do they want Russia to become isolated, said the NATO secretary general.

Relations Among Political Parties Analyzed

95CH0037A Budapest MAGYAR HIRLAP in Hungarian 1 Oct 94 p 7

[Article by Miklos Szabo, historian and parliamentary representative of the Alliance of Free Democrats: "MDF's Opposition Strategy Is The 'Principal Danger'"]

[FBIS Translated Text] The strategy of criticism of the most powerful opposition party is not manifest in its actions in parliament. The MDF [Hungarian Democratic Forum] has not yet decided whether it would act in parliament as a constructive or offensive opposition party. In the current phase an offensive attitude seems to dominate. The party does not adhere to the tacit principle that the opposition's constructiveness means more than mere attitude: It means refraining from social demagoguery—and this is true of both the earlier and the present parliamentary cycle. In this regard, the previous National Assembly's opposition was constructive in an exemplary manner, for it never criticized the administration for its measures that affected the standard of living, but instead acknowledged their unavoidability. On the other hand, today the MDF claims that it would be possible to follow a policy of economic revival instead of one of bloodsucking whose purpose is to achieve stability and a balanced national budget. This is what can be considered social demagoguery par excellence. As the party became an opposition party—whose defeat was caused in part by having been judged by society as being socially insensitive—social solidarity became its key word.

However, all this is a relatively small part of the opposition's strategy. Most important for the opposition is to create a rift between the coalition parties and to try to undermine their governmental alliance. This is difficult to do within parliamentary activities, so it is mainly done through the press, MDF publicity and propaganda, and statements of party leaders. It would seem obvious to use MDF propaganda to try to estrange the SZDSZ [Alliance of Free Democrats] from coalitional cooperation. This may work, for the party can keep claiming that

the smaller coalition partner is pushed aside and may sooner or later lose not only its profile but even its independence. Many SZDSZ people are weary of the latter. This could be exploited, which would make sense, for if the coalition were broken up, then the opposition would gain much strength by being joined by the second largest party, and the government [party] would lose its two-thirds majority. But trying to create a rift is having a reverse tendency. The [MDF] is trying to turn the MSZP [Hungarian Socialist Party] against the SZDSZ. Its basic attitude is, in essence, that the MSZP, which deserves a better fate, must be saved from the lethal kiss of the SZDSZ. The MDF is warning this stronger party that the devilish liberals will become unmanageable and will seize leadership. This strategy appeared already before the second round of elections. The MDF could not officially call upon its followers to vote for the MSZP candidate whenever there was only an MSZP and an SZDSZ candidate, but it could have the leading representative of national liberalism (Jozsef Debreczeni, who had been expelled from the party) and others write about it. Since the new administration has taken office, the [MDF] party slogan has been that the socially committed MSZP was forced by the liberal partner—hand in glove with crypto-liberal Bekesi—to take the measures that have lowered the standard of living. The authors of the UJ MAGYARORSZAG lament—what will become of socialism in this coalition? In seeing so much bourgeois inhumanity, Peter Boross is slowly discovering the social-democrat within himself, which he has kept secret until now. There are those who recommend that the MSZP should exchange the SZDSZ for the Christian-socialist KDNP [Christian-Democratic People's Party] as a coalition partner, for it is, in the final analysis, a socialist socialist [as published] [party].

They are also trying to have the MSZP raise objections against Gabor Fodor filling a ministerial post. According to the MDF press, Fodor is less acceptable to the clergy than any other MSZP politician who could be considered. In view of the fact that the MSZP could also provide experts, why would we need this jurist? At least the Kadar regime—indeed, the previous communist regime—put some scholars in the velvet chairs (such as Kopeczi, who made it to central party department head, or Tibor Erdei-Gruz) instead of merely a professor's assistant. Any socialist would do as a replacement of a Free Democrat. Of course, the MAGYAR FORUM goes even further. Csurka is already pitting Sandor Nagy against the SZDSZ. He implies that this union leader is, after all, a good Hungarian and, as such, can be nothing but an anti-Semite. But still, the wave reaches its height in the new opposition press. It is here that the prime minister himself is turned against the coalition partner. Journalists at the MAGYAR NARANCS not only lecture Gyula Horn but call him an "irresponsible" prime minister, one who has the audacity to improvise in the name of two parties. Now the liberal mouthpiece hisses that Horn is an "aggressive authoritarian" and considers him, in a subversive fashion, a "time bomb." A few

things in the quotation may need commentary. The liberal mouthpiece is hissing, of course. The writer obviously wanted to use the term hypocritical instead of subversive but his pen apparently found this expression, reminiscent of Prince von Metternich or Ferenc Munnich, easier to write. And, finally, the time bomb in the coalition is the SZDSZ, of course, which can hardly wait to detonate, leave the coalition, and run into the fraternal arms of the MDF. The most recent production is Laszlo Fabian's article entitled "Gratitude" which appeared in UJ MAGYARORSZAG (23 Sept. 1994). In it he explains that the director general of AV Rt [State Property Management Corporation] is planning to begin supporting the administration. This action is supported by the MSZP and opposed by the SZDSZ. The explanation for these two attitudes nicely fits the rest: "While the socialists are indeed inclined to feel some kind of gratitude for the rapid return of their former comrade, the liberals are unbending." A liberal has no human feelings. There is no gratitude in politics.

But, while we are on the subject, we could mention that it was the MDF that produced the only real gratitude of the last two hundred years of Hungarian history by eliminating Pozsgay during the "four-yeses" referendum, even though they had much to thank him for: Without him it could not have been a government party for four years. Their gratitude was spectacularly manifest in the manner in which they placed Zoltan Biro, Pozsgay's chair holder in the MDF, on a ballistic course.

Why the MDF still consistently considers the SZDSZ the "principal danger" despite obvious interests deserves explanation. The main reason is that opposition to the socialists—the successor party of the Kadar regime—is evident. Between 1990 and 1992, the MDF was perturbed by the fact that at that time its only alternative to governing was a civil party. After the fall of 1992, the situation became increasingly uncomfortable because it was difficult to give reasons to followers, allies and partners why the party was unable to come to terms with a civil party, to the extent that it preferred to make an alliance with the socialists instead of the MDF. And this was done by a party whose civil character was never doubted by any friend or foe, while in the case of the MDF, its civil character became questionable, first because of its alliance with "national bolshevism" (the friendship with Pozsgay, Biro's interim chairmanship), and then because of the change to a feudal character. It was difficult to blame the liberals' lack of principles and hunger for power for everything. It was difficult to conceal that the relationship was largely determined by the fact that between 1990 and 1992 the MDF hardly made a secret of its strategic objective to destroy the SZDSZ.

Another reason is that the SZDSZ was the only party in the position to unequivocally and consistently criticize the right-wing fundamentalism of the MDF and its partners.

Also, the MDF can expect that the leadership of every party—with the exception of the SZDSZ—includes more or less influential groups that are inclined to cooperate with Christian-nationalists. The MDF cannot count on those SZDSZ leaders who opposed the coalition (Tolgyessy or Koszeg) as partners.

Another reason why the MDF considers the MSZP the lesser evil as opposed to the SZDSZ is that politically it can better deal with defeat by the MSZP than with the fact that it was also defeated by the SZDSZ, which became the second largest party again. A trivial explanation for the victory of the socialists is to claim that forty years of communist education and propaganda did not leave the masses untouched. A more sophisticated explanation is that society retaliated for the decline of the standard of living by reelecting the state party of the Kadar regime. But the fact that the liberal party came out better than the MDF unequivocally meant the defeat of the "Christian-national" ideals by the liberal ideals. To quote a classical thinker of the Hungarian right wing, defeat by the socialists may be Good Friday which is followed by the Resurrection, but the liberal victory questions the very *raison d'être* of right-wing fundamentalism itself. Representing the civil side as a single party or as a stronger party that is in opposition to the socialist left wing is a noble position, a secure position for the future, even if the civil opposition is weak today. But if a civil party is present in the left wing as well, then the future of the "Christian-national" party is not secure even on the civil side. This may be the result if the MDF succeeds—in cooperation with the MSZP, which it successfully turned against the SZDSZ—in destroying its liberal opponent.

It seems that during the next four years the MDF still has to acquire the democratic ability to coexist with the enemy.

Company Managers View Government Economic Policy

95CH0037C Budapest MAGYAR HIRLAP in
Hungarian 1 Oct 94 p 11

[Unattributed article: "Managers Say the Picture Is Too Gloomy"]

[FBIS Translated Text] "The administration is determined to provide the conditions for long-term economic growth," wrote Gyula Horn in a letter addressed to 800 high-level executives and businessmen who participated in the National Managers Seminar.

Tibor Draskovics, state secretary of economics, Ministry of Finance, said at the conference—which was organized by the Manager Training Institute of the Budapest University of Economics—that budget expenditures will not be increased next year and may not exceed the 1994 level. This will affect social expenditures as well. This means that certain services can be increased only through internal reallocations.

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With regard to the issue of wages, the administration decided at its cabinet meeting on Thursday that it will withdraw its modification proposals which would have lowered wages through changes in the statutes that are in effect today. In other words, the statutes will not be modified but the changes they provide for will be implemented. This will be tantamount to wage increases in certain areas. In addition, a 10-percent wage increase in the armed forces and the law enforcement organizations will be financed by the central budget. Although wages may be increased within the budget at discretion, the resources for the increases must come either from downsizing or from decreases in material costs.

It was apparent at the press conference, where several company executives evaluated the program, that company executives think that the administration's present concepts regarding economic policy will result in favorable changes. On the other hand, they complained that government representatives are painting a dramatic picture of the country's situation and that this makes it more difficult for them to make business deals and it slows down the inflow of foreign capital.

'Drastically' Increasing Food Prices Detailed

95CH0015A Budapest MAGYARORSZAG in
Hungarian 30 Sep 94 p 10

[Article by Laszlo Zentai: "The Rising Tide of Prices; Poverty Line for Family of Four at 53,800 Forints"]

[FBIS Translated Text] A wide range of measures intended to restrain consumption by the population is expected in the following months. The effect of these measures were felt in the past two months already, because the prices of food products were subject to several increases which could well be called drastic. The price of meat and luxury goods rose at an accelerated pace. After the ceiling on rents was lifted, certain local governments raised monthly rents by 50-150 percent. The effect of the devaluation of the forint by 8 percent has not yet been passed on to consumers, because not every producer built his increased expenses into the producer prices yet. The effects of inflation hit the poor and the increasingly impoverished middle class the hardest.

About Energy, One Way or Another

Certain representatives of the producers, the government, and the unions made disparate statements in the past two months concerning energy prices. Energy producers and providers announced a price hike of about 70 percent. At the beginning, the industrial ministry was biding its time, and then slowly slid the size of the expected price hike downward. The statement by the head of the miners' union was especially intriguing, because he agreed to the 70 percent price hike. The prime minister, on the other hand, set the upper limit of the price change at about 30 percent. Let us add that even this price increase will be very difficult to shoulder

for most of the population. The 15-percent increase in consumer taxes is the icing on the cake. We can be certain that producers and vendors will pass the resulting increase in expenses on to the consumers.

Leg of Pork at Almost 500 Forints Per Kilo

According to a report by the Central Statistical Office, published in the middle of September, there were major price increases predominantly of food products. The price of pork and beef was 10-15 percent higher in August than in July. For instance, according to the monthly price average recorded in the counties, the consumer price of 1 kg of a leg of pork was 424 forints [Ft], which was Ft152 more than in the previous month. When calculating average prices, however, one must also consider that the difference between prices at the beginning and at the end of the month was even greater. In many butcher shops and meat markets the price of the leg of pork at the end of August was near Ft450-470. In August 1994 we had to pay Ft122 more for 1 kg of leg of pork than the year before.

The popular pork chops cost on the average Ft310 at the end of August, which meant a Ft100 increase over the same time of the previous year. The prices of meat products increased to a slightly lesser degree.

The change in the consumer tax, as well as the change in the price of raw coffee beans on the international market resulted in a drastic increase in the price of coffee. In July, dealers reported an increase of 16 percent, and in August, another 11 percent. Another considerable increase resulted from the 11-percent hike in the price of tobacco products which—in view of the population's continually increasing demand for luxury products—greatly increased budget revenues. The price of transportation fuel increased by 2-3 percent in August, but the effect of this increase on inflation will only be felt in the following months.

Instead of a seasonal drop in the price of fruits and vegetables, a stubborn "staying power" characterized the prices of the last two months. The vendors immediately passed every increase in the expenses on to the consumers. Besides, the drought and the tropical heat of the summer offered a good "excuse" so that, for instance, the price of peaches remained between Ft102 and Ft113 in July and August. If we consider that the price of peaches was between Ft55 and Ft70 at the same time last year, we have something to think about seeing the 80-percent price hike.

Hungary is a traditional apple-growing country. In view of this fact it is almost unbelievable how high the price of apples was in the last two months. Vendors asked Ft58-60 for 1 kg. On the other hand, in July of the previous year the price of this fruit was only around Ft39. The fact that dumpsters around fruit and vegetable markets are getting filled with rotten fruit with increasing frequency shows a drop in demand.

The report of the Central Statistical Office calculated a 19.5-percent price increase altogether, compared to the same period of the previous year. However, the authors of the report also stated that in contrast to the base for the comparison, they had not yet been able to consider the figures of the price increases at the end of August.

Inflation Above 20 Percent

Freezing real wages and salaries is not going to be likely to rein in the above processes, and it also seems that this measure will not be able to ease the pressure of inflation. The planned increase in the 15-percent consumer tax and the elimination of the possibility of reducing one's taxable income by purchasing bonds issued by banks are hardly conducive to saving. As a consequence of restrictive measures, inflation could considerably surpass 20 percent by the end of the year. The consumer price index of food products and services is already considerably higher than the above figure. At the end of August, the price of food products was altogether higher by 24.5 percent, and the price of consumer services, by 20.7 percent than in the previous year.

Let me add that the poverty line calculated for two adults and two children under 15 is a net Ft53,800.

Impact of Danube River Diversion Viewed

95CH0046A Prague PRAGUE POST in English Oct 26-Nov 1 94 p 4

[Article by Eva Munk: "Gabcikovo Threatens Wetlands and More"]

[FBIS Transcribed Text] Gabcikovo—"The river?" says a farmer in the tiny village of Dobrohost, turning his eyes toward the marsh as if it held the ghost of a dead friend. He points to a gravel path running into silent woods.

The narrow trail meanders through stands of poplars and lush undergrowth, but only an occasional stagnant pool covered with a bright-green coat of algae hints at the former presence of water.

Three kilometers farther on, the Danube winds between tree-lined banks as it seems to have done for millennia.

But a 30-meter-wide beach, thick with dried-up mussel shells, tells a different tale.

Once the river was much higher—high enough to turn the wheel of the ancient water mill that stands on three-meter-high stilts at the river's edge and to flush the surrounding marshes with oxygen-rich water.

Here a mighty inland delta once split the Danube into hundreds of meandering branches, creating one of Europe's last marshes.

A concrete channel one kilometer to the north tells what happened next.

Two years ago, Slovakia diverted the Danube along the Hungarian border into a hydrological complex consisting of a 135-square-kilometer (52-square-mile) reservoir, a 40-kilometer (25-mile) elevated cement channel and a huge dam crowned with two hydroelectric turbines near the village of Gabcikovo.

What has occurred since man moved the river is a matter of debate between Slovakia on one bank and Hungary on the other. Both sides claim they have been proven right during the dam's first two years in operation.

Hungary, which pulled out of the 1977 project in 1992, says Slovakia is depriving a large Hungarian wetland of life-giving water and endangering the largest underground reservoir in Central Europe, a reservoir tapped by numerous Hungarian wells.

According to a March 1993 report issued by the Slovak Union of Nature Lovers and Landscape Protectors, "13,500 acres of Danube countryside that was very close to its natural, unspoiled state has already been destroyed," and roughly the same amount is threatened by the Gabcikovo complex.

The Slovak Government says the project will, on the contrary, save the remaining wetlands, create a cleaner underground reservoir, improve navigation and provide a clean source of electricity.

According to Igor Mucha, who represents Slovakia for the company, Ground Water Consulting, seepage from the reservoir has raised the water table, reducing the need for surface irrigation, which washes chemical fertilizers into the underground reservoir.

The Szigetkoz wetland, Mucha said, was already drying up, because natural riverbed erosion had lowered the water level, preventing water from reaching the dozens of meandering branches.

Periodic flooding from outlets in the channel, combined with a series of weirs to hold the water in place, will actually slow down the process and keep the marsh from drying out, he said.

Predictions by several international environmental organizations contradict Mucha's assertion. But nature has yet to prove either side conclusively right.

In December 1993, the World Wildlife Fund [WWF] issued a statement saying that "two-thirds of the deformation and erosion processes" are caused by upriver gravel excavations used to build the Gabcikovo complex.

According to the WWF statement, "numerous informed sources" confirmed that, since summer 1993, the waterworks of Samorin reduced production to two thirds and those in Kalinkovo stopped entirely.

On-site studies conducted by Slovak environmentalist Mikulas Lisicky show that migrating species are already being replaced by sedentary species in the marshes.

Recreational benefits, also pointed to by the Slovaks, have yet to be realized. The reservoir's shores are undeveloped, and it is hard to imagine any recreational activity on the steep cement banks of the channel.

According to a 1993 publication by Slovakia's main investor in the project, Water Management Construction Co., titled "The Gabčíkovo Project—Saving the Danube's Inland Delta," the project "offers the population a variety of recreational water sports, tourism and, in the future, prospective territorial economic development and employment opportunities."

According to the WWF, nothing could be worse for the area.

At present, however, the project has actually had the opposite effect, isolating the inhabitants of three villages located between the channel and the old riverbed.

To reach services or even go shopping, locals, few of whom have cars, have to make a 100-kilometer bus trip around the project by way of Gabčíkovo or Bratislava, or take a ferry at the midpoint of the 40-kilometer channel. The boat runs once every hour—when it runs at all.

Despite the mass of ecological studies the Hungarian Foreign Ministry continues to cite against the project, Slovakia claims that Hungary's interest is mainly territorial, as the shifting of the Danube could be interpreted as a corresponding shift of the border.

"That is absolutely wrong," said Istvan Torzsa, the commissioner in charge of the Gabčíkovo project for Hungary.

"The Paris peace accords state that the border is the midline of the old riverbed, and we do not want that to change. We are arguing that Slovakia has changed the character of the border."

Hungary has repeatedly tried and failed to come to an understanding with Slovakia as to the level of water the latter would release into the old riverbed, Torzsa said.

"In London, we agreed that 95 percent of the water would be returned to the original riverbed, later we agreed to 60 percent and finally, to show good faith until the court reached a decision we agreed—reluctantly—with the European Union compromise solution of 40 percent, but Slovakia has rejected each recommendation. As of this time there is no water discharge regime to Hungary," Torzsa said.

"The water in the riverbed would be sufficient if the Hungarians would let us build the weirs," said Mucha.

Both countries have agreed to take their dispute to the International Court of Justice in The Hague, which is expected to issue a verdict in late 1996.

Walesa Concept for Resolving Bosnian Conflict

LD0512213894 Warsaw Third Program Radio Network in Polish 2100 GMT 5 Dec 94

[FBIS Translated Text] President Lech Walesa feels that the CSCE ought to find a way to end the war in Bosnia. The president has presented his own concept for the conflict's resolution. We divide this entire territory into squares, Walesa said, and each of the 50 presidents receives one week of time to put the subject in order. The matter is an obvious one, straightforward, physically possible, and we will have calm within a month. Take over the electricity power stations, the petrol stations, and the tanks, and the game comes to an end, the president summed up. Walesa declared he is ready to take over command of a platoon [as heard] in one of the squares.

Discussion of Trade Obstacles at CEFTA Summit

WS0612113394 Poznan WPROST in Polish 4 Dec 94 pp 14-15

[Article by Krzysztof Golata in cooperation with Andrzej Zybala: "As You Like It"]

[FBIS Translated Text] "Visegrad Group in the Czech translation reads 'Central European Free Trade Agreement' [CEFTA]," said Czech Prime Minister Vaclav Klaus. This implies an end to projects of wide political cooperation between Central European states, the alternative to which is a tightening of economic ties. The ultimate aim for all CEFTA states is membership in the European Union [EU], although it still remains unknown whether the joint march will not turn into an open race. In agreements included in the closing declaration of the CEFTA summit held in Poznan, the term "joint agreement" was replaced by the slightly less binding term "consultation."

To the surprise of observers, Romania has the greatest chances of joining the group, apart from Slovenia, which everyone recognizes as a potential candidate. Slovenia already has a higher per capita income than several EU states; therefore, its candidacy did not raise objections of any member state. Waiting in line, besides Romania and Slovenia, are the Baltic states, Belarus, Ukraine, and Bulgaria. It was agreed in Poznan that the member states would implement joint policies in their relations with the EU, and Gyula Horn expressed his dismay over the fact that heads of CEFTA states were not invited to the EU summit in Essen.

The prime ministers had signed a series of agreements facilitating mutual trade exchange, yet only the Slovaks could boast of a considerable increase in trade turnover with remaining CEFTA states (by as much as 43 percent with Poland). Vaclav Klaus stated that cooperation was developing slowly, and turnover in trade of certain goods had even declined. Klaus accused Hungary of raising customs on agricultural products without consulting its partners.

While the volume of Polish exports rose by more than 15 percent in the first six months of 1994, the volume of sales to neighboring countries—the Czech Republic, Slovakia, and Hungary—rose by a mere 1 percent. Turnover with CEFTA states in 1993 was \$1.358 billion, which is a mere 5 percent of our total foreign trade. Before 1989, the former Czechoslovakia alone carried out more purchases in Poland than the states of CEFTA combined currently do. Czech exports to countries within the free trade zone make up 7 percent of total exports, and imports 5 percent. CEFTA states are a more important partner for Hungary because it exports 11 percent of its products to their markets and imports nearly 7 percent. More than 60 percent of Polish goods are exported to Western markets. The West is the target market for 44 percent of Czech and 50 percent of Hungarian exports.

Within the First Seven Months of This Year, Our Turnover With CEFTA States Rose to \$854 Million

This year, as a result of the trade liberalization carried out in July, turnover may still increase. In Poznan, the prime ministers decided to shorten the period for lifting customs. The process is to be finalized within four years. Lowering customs on highly processed goods and agricultural produce will allow their share in overall trade to grow. Currently, this trade is dominated by raw materials and semifinished products. On 1 July 1994, lowered customs rates (decreased by one-third or one-fourth) were introduced for all industrial products. After 1 January 1997, customs will be retained on only a few industrial products. Traditionally, the liberalization of duties on food and agricultural products is very limited and the range of protective barriers very wide. Only customs on goods with a so-called low sensitivity factor were reduced. With regard to Hungarian imports to Poland, for instance, customs were lowered on imports of grapes, sunflowers, and wine, and on exports of eggs, honey, flowers, and vegetables. Trade of agricultural produce raises the greatest controversy, not only within CEFTA but also in practically all economic unions.

Poland had a surplus in trade turnover with CEFTA states in 1992. In the following year, the difference between exports and imports was more than \$6 million. This year the balance is negative. After the first seven months...

The Negative Turnover Balance Is \$35 Million

We have a trade deficit with all of our CEFTA partners. The largest—\$20 million—is with Hungary, and the smallest—\$5 million—with Slovakia. Poland is 14th on the list of Hungary's economic partners.

After two years of the functioning of the free trade zone, it often turns out that the major obstacle to the growth of mutual trade is not customs barriers, but the limited assortment of goods being offered. According to estimates of the Ministry for Foreign Economic Cooperation, approximately 55 percent of Polish industrial

products were approved for duty-free export to the Hungarian market, and 60 percent to the Czech and Slovak markets. By comparison, 52 percent of Hungarian products and a mere 19 percent of Czech and Slovak goods reach the Polish market. Poland sells primarily industrial products (\$65 million), fuel and energy (\$84 million), metallurgical products (\$97 million), and products of the chemical industry (\$57 million). The same products prevail in our imports.

Small trade is paired with weak capital cooperation. In 1993, only 16 companies with Polish capital operated in Hungary. In the Czech Republic in the same period, there were approximately 100 such companies, and in Slovakia 134. There are 19 companies in Poland with shares held by Hungarian capital.

Deputy Minister Andrzej Byrt Views CEFTA

WS0512154094 Poznan WPROST in Polish 4 Dec 94
pp 13-14

[Interview with Dr. Andrzej Byrt, Polish deputy minister for foreign economic cooperation, by Krzysztof Golata; place and date not given: "Dress Rehearsal"]

[FBIS Translated Text] [Golata] Two years ago, claims were made that the Czech Republic, Poland, Slovakia, and Hungary has reinstated the Council for Mutual Economic Assistance [CEMA]. Opinions also circulated that a "small EC" was established.

[Byrt] The Central European Free Trade Agreement [CEFTA] may not be treated as "CEMA-II" for one basic reason: Clearing of accounts between the parties is made in convertible currencies, and trade is carried out primarily by independent private companies, not by state enterprises according to predrawn government protocols. Neither is it a "small" European Union [EU], inasmuch as CEFTA intends only to create a free trade zone. The model for the agreement between the four states was their association agreement with the EC.

[Golata] Did the G-12 states not treat the agreement between the Czech Republic, Poland, Slovakia, and Hungary as a dress rehearsal for their admittance to the European Union [EU]?

[Byrt] You are suggesting that we were coerced into establishing a free trade zone. It was a sovereign decision made by four states, although I will not hide the fact that the EU members did emphasize that it was a reasonable move. The main reason for creating the zone was the desire to revive mutual trade, which had broken down because of the introduction of foreign currency clearings. Two years ago, a compromise was reached on the principles of cooperation. During the [Visegrad Group] meeting in Poznan, prime ministers could give a political signal for experts to further liberalize trade exchange and even include areas of economic cooperation other than trade in the agreement. One should keep in mind that CEFTA functions on the basis of six bilateral agreements between the particular states.

Unquestionably, the establishment of a free trade zone provided an additional stimulus for foreign investors. For Western capital, Poland is becoming part of the Central European market, counting more than 65 million consumers.

[Golata] Once Poland, Hungary, the Czech Republic, and Slovakia enter the EU, CEFTA will cease to exist. Is it worthwhile to form an organization when the date of its dissolution is already known?

[Byrt] There is no such date. It will be defined in the future, once adequate negotiations are held. All of the parties are aware that CEFTA is a stopover in the course of our journey toward the EU, but I do not see that this has limited the four countries' activity. We can spend the coming years overcoming barriers to free trade. It would be a paradox if the European agreement were to remove barriers in our trade with Germany, while obstacles remained in our exchange with Slovakia, the Czech Republic, or Hungary.

[Golata] After two years of existence, can you say that trade has been revived between Budapest, Bratislava, Prague, and Warsaw?

[Byrt] Signing the agreement has allowed us to halt a decline in turnover, and the further liberalization implemented this year has resulted in its growth. The abatement of mutual limitations and customs barriers has contributed, in my belief, to heightened economic activity and, most of all, to lowering the costs of development. We can now say that, on balance, the outcome of CEFTA operations is positive. The history of the world's economy proves that countries that liberalize trade develop more quickly and at lower costs.

[Golata] The growth in turnover, however, is not felt by the average consumer. On the contrary, Czech and Hungarian goods have disappeared from the stores, and, if they do appear, they are often more expensive than goods produced in the West.

[Byrt] I find it difficult to agree with that opinion. In comparison with 1992, the amount of Hungarian or Czech goods in our shops has increased considerably. The benefits of establishing a free trade zone is felt, for instance, by transportation companies, which have Ikarus buses, for which they can import spare parts duty-free. The emergence of CEFTA has hugely lowered operational costs for many of our companies that rely on Hungarian or Czech equipment.

[Golata] In negotiating the conditions of the free trade agreement, all of the parties decided to protect their agriculture, steel, and textile industries. Thus, the problems that came up during the EU negotiations resurfaced.

[Byrt] In contrast to the treaty with the EU, the establishment of CEFTA provides for the symmetrical abolition of customs barriers by all sides. Poland would, for instance, be interested in further liberalization of trade

in agricultural produce. This would set a good example for the EU states, proving that limitations in the trade of such "sensitive" goods as agricultural and food products can be removed. The free trade zone for industrial products within CEFTA will come into effect in 1998, one year earlier than with the EU. I do not hide the fact that the most controversial issue is that of introducing protective measures. All of the agreements provide for the application of specific protective barriers in justifiable cases. I would not demonize the issue, however, because such cases are considerably rare.

[Golata] Are the controversies between the four states not the result of the inherited structure of the economy? We all protect producers of the same goods.

[Byrt] Unfortunately, our economies are substitutive and not complementary; therefore, they compete rather than supplement each other—hence the attempts to introduce protective measures. The heads of many Hungarian, Polish, Czech, and Slovak companies are unable to adapt to the new economic conditions. This causes a rebirth of old customs and a revival of the conviction that one telephone call to the minister can improve the condition of the enterprise. Of course, every country has the right to protect its own economy, but the principles of protection are defined by GATT. Its provisions have been echoed in the CEFTA agreements. The laws of "self-defense" are not always, unfortunately, acknowledged by politicians, who sometimes heed lobby groups, disregarding legitimate economic considerations.

Ongoing Debate Over Defense Minister Viewed

WS0512131594 Warsaw RZECZPOSPOLITA in Polish
5 Dec 94 p 2

[Article by Ewa K. Czackowska and Ewa Kaszuba: "Appointment of MON Director; Between Politics and Law"]

[FBIS Translated Text] On the Sunday "Breakfast with Radio Zet" program, Minister Lech Falandysz warned the coalition against "tampering with the Ministry of National Defense [MON]." This may have dramatic consequences. He asked that the coalition reconsider this situation. The Small Constitution does not say anything about the post of director of the ministry. The left wing quotes the political custom started way back by the Suchocka Cabinet.

Director Is a Custom, Not a Law

Prime Minister Pawlak has not yet submitted Longin Pastusiak to the president as the coalition's candidate for defense minister. Politicians expect that Lech Walesa will reject this proposal. Presidential Spokesman Leszek Spalinski said that the candidacy of Pastusiak, who had been a member of the Polish United Workers Party for 30 years, as well as the fact that Danuta Waniek, Sejm deputy of the Democratic Left Alliance [SLD], is a

deputy minister of national defense suggest that speaking about the apolitical nature of the Army is a mockery in such a situation.

Politicians of the coalition have actually already agreed that a director of the ministry should be appointed, which the prime minister can do without the president's approval. According to SLD Spokesman Zbigniew Siemiatkowski, the party never took into account the candidacy of Deputy Defense Minister Jerzy Milewski for MON director. He called the previous speculations about it a press fact. The SLD would like this post to be assumed by Longin Pastusiak. The Small Constitution does not say anything about a ministry director. This is sufficient for the President's Chancellery to call such a decision contrary to the Constitution—if the prime minister appoints Longin Pastusiak as the ministry's director. The left wing, in turn, cites the political custom started by the Suchocka Cabinet, which was when the Small Constitution was already in force. At that time, when a new culture minister had not been appointed for quite a long time, Piotr Lukasiewicz was nominated as the director of the ministry. The function of the director of the Finance Ministry was fulfilled by Henryk Chmielak, which was when the Pawlak government was already in power. Even though there was no minister (after Marek Borowski tendered his resignation), the prime minister appointed a new deputy minister of finance—Jan Kubiak, of the Polish Peasant Party. "In none of these cases did the president protest, which allows us to suppose that the political custom has already been established," interprets the SLD's Jerzy Jaskiernia.

Only Tribunal Knows

The Constitution does not say what should be done if there is a political deadlock and a minister cannot be appointed. In line with Article 56, Paragraph 2 of the Small Constitution, it is not possible to appoint a new deputy minister and entrust him with the task of running the ministry. ("The minister runs a specific section of the state administration with the help of a secretary of state and under secretaries of state appointed by the prime minister on the motion of the minister"). The left believes that this is a legal gap and therefore quotes Article 55, Paragraph 1: "The prime minister steers the work of the Council of Ministers as well as coordinates and controls the work of the ministers."

According to the SLD, this obliges the prime minister to make a decision that would enable the ministry to do its normal work. Jerzy Jaskiernia also quotes the government's interpretations (of 11 January 1992 and 26 January 1993) concerning the appointment and dismissal of secretaries of state. In default of any precise regulations concerning this issue, the lawyers of the Office of the Council of Ministers quote the law of 1985, which says that secretaries of state are appointed and dismissed by the prime minister, and he does not need a motion from a minister.

"The final interpretation of this case can only be made by the Constitutional Tribunal," says Jerzy Jaskiernia.

The conflict between the coalition and the president over the new MON head is a typical political dispute. As a result, the Constitutional Tribunal may specify the regulations of the Small Constitution. If the prime minister appointed Secretary of State Jerzy Milewski to the post of MON director, who is accepted by the Belweder, there would probably be no need to involve the tribunal.

The possibility cannot be ruled out that, if none of the parties to the conflict are willing to make concessions, the left will want to return to the proposal of amending the Small Constitution in the area of changes in ministerial posts (the left already submitted this proposal during the conflict caused by the submission of Rosati for the post of deputy prime minister). Then the president would be obliged to accept the prime minister's motions. With the present regulations, the president may but does not have to appoint a candidate submitted by the prime minister.

Bugaj Wants Explanations

Ryszard Bugaj forwarded a letter on 3 December to Prime Minister Pawlak. In it, Bugaj demands that the government "urgently and publicly explain" whether it accepts the agreement concluded by the Union of Labor [UP] and the coalition, concerning would-be changes in the tax law and the vote on the president's veto in the Sejm. Bugaj also wants the prime minister to state whether the agreement will be put into effect in time. Bugaj became worried by a statement by Deputy Prime Minister Kolodko, who said after the president's veto was rejected that he understood the agreement not only as readiness to look for a method of lowering taxes and increasing family tax breaks, but also as UP's readiness to support and implement the budget. Bugaj recalled that his party's agreement with the coalition was "not determined by anything." Now that the president's veto has been rejected, Walesa can challenge the law in the Constitutional Tribunal within seven days. This morning the president is leaving for Hungary, then for Japan and Korea. He will not return until 11 December. If the president submits his motion, the Constitutional Tribunal will be able to consider it at any time because there is no legal deadline for this. If it does not reply by the end of December, the law of 1991 will become effective on 1 January—with smaller tax brackets: 20, 30, and 40 percent. This, in turn, will force the government to make amendments to the budget law.

Rightist Leaders Meet, Discuss Elections

WS0512134694 Warsaw RZECZPOSPOLITA in Polish
5 Dec 94 p 2

[Article by M.D.Z.: "Rightist Wafer-Sharing Meeting at the Reverend Maj's"]

[FBIS Translated Text] The meetings of rightist leaders at Warsaw's St. Katherine Parish are likely to be called the "St. Katherine Meetings." During the talks on 3 December, the participants (such as Jaroslaw Kaczynski,

Jan Parys, Jan Olszewski, and Antoni Macierewicz) shared wafers, agreed on the establishment of an Arbitration Commission that would settle disputes between rightist politicians, and issued a statement concerning a candidate for president of the Polish Republic.

UPR Representative Refused

...to sign the communique. The statement issued by the rightist politicians after the meeting reads: "It was agreed that a candidate for president of the Polish Republic should respect Catholic and national values, be guided by anticommunist convictions, and ensure that the Constitution be observed closely." Marek Sarata, who represented the Union for Real Politics [UPR] at the meeting at the Reverend Maj's, put in question the portion of the statement concerning the "anticommunist convictions" of the future candidate and was the only one who refused to sign the joint communique. Jaroslaw Kaczynski proposed on behalf of Center Accord [PC] that the statement specify that the candidate of the right not be Lech Walesa. Bogdan Szymanski of the Christian-National Union [ZChN], however, did not agree to this. Other politicians demanded that the statement include a statement saying that cooperation with Freedom Union is possible. This, in turn, was criticized by Kaczynski. As a result, neither of the two issues was included in the statement.

The rightist politicians set up...

The Arbitration Commission

...which will consist of, among others, Father Jozef Maj, Andrzej Roszczewski (deacon of the Warsaw Lawyers' Council), and Janusz Tomaszewski of Solidarity ["S"] (there were doubts concerning the last candidacy because "S" is closely cooperating with the rightist Secretariat of Center Right Groupings—SUC).

The talks also concerned the presidential elections and the possibility of holding earlier parliamentary elections. Representatives of SUC tried to persuade their colleagues to accept, as a platform of cooperation, the social constitution draft, prepared under the auspices of the Independent Self-Governing Trade Union "S." However, this proposal was not received very warmly. SUC invited the participants of the meeting to take part in the conference on integration of the right wing, which is to be held jointly with "S" on 18 December in Krakow. The conference is to begin with a Mass at Wawel Castle (during which the sermon will be delivered by Father Maj). The Mass will be followed by a speech by ["S" Chairman] Marian Krzaklewski.

Participating in the Meeting

...on 3 December were the leaders of 19 rightist groups:

—Polish Action (Antoni Macierewicz)

—Christian-Democratic Center (Przemyslaw Hniedziwicz)

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- Christian Democracy-Labor Party (Tomasz Jackowski)
- Conservative Coalition (Pawel Zalewski)
- Confederation of Republicans (Zbigniew Wrzesinski)
- Party of Christian Democrats (Jerzy Stepień)
- Polish Patriotic Forum (Jan Gazdawa-Golebiowski)
- PC (Jaroslaw Kaczynski)
- Polish Peasant Party-Peasant Accord (Gabriel Janowski and Leszek Dziamski)
- Szeremietiew's Movement for the Republic (Lech Jeczmyk)
- Olszewski's Movement for the Republic (Jan Olszewski and Stanislaw Weglowski)
- Movement of the Third Republic (Jan Parys)
- Party of Loyalty to the Republic (Wojciech Ziembinski)
- National-Democratic Party (Boguslaw Kowalski)
- Party of Polish Democracy (Michal Kolodziejczyk)
- Peasant-Christian Party (Ireneusz Niewiarowski)
- UPR (Marek Sarata)
- ZChN (Boguslaw Szymanski)
- Polish Union (Andrzej Anusz)

Poll: Most Note No Changes Under New Government

WS0612113894 Warsaw RZECZPOSPOLITA in Polish 3-4 Dec 94 pp 1-2

[Article by Ewa K. Czackowska: "Public Opinion Research Institute for RZECZPOSPOLITA; Coalition Either Did Not Change Anything or Changed it for the Worse"]

[FBIS Translated Text] Since the coalition of the Polish Peasant Party [PSL] and the Democratic Left Alliance [SLD] was established, Poles have observed negative changes in their lives more often than positive changes. However, most of the people have not seen any changes for either better or worse.

The social group that is the most satisfied with the fact that the PSL-SLD coalition was established and that the Pawlak government was formed seems to be the peasants. In this group, the people speak about positive changes most often. Negative changes are seen most often by employees of the public sector. These are the results of an opinion poll that was conducted by the Sopot Public Opinion Research Institute at the request of RZECZPOSPOLITA.

Since the time when the PSL-SLD coalition took over power in Poland, negative changes have taken place in the life of every third Pole. The percentage of respondents who observed changes for the better as a result of the change in government is only half as large. However, most of our countrymen have not noted any changes at all over the past year—for either better or worse. The Pawlak government was sworn in on 26 October 1993. After four years of the governing of "Solidarity" groupings, we saw the establishment of a coalition of parties that had their origins in the Polish People's Republic. The groups won the elections with slogans such as "It does not have to be this way any longer" and "Poland needs a good host."

The results of the study show that, as a result of the change in government, peasants felt positive changes, whereas public-sector employees perceived mostly negative changes. This confirms that the group that is stronger in the coalition and more efficient, as far as the party's interests are concerned, is Pawlak's PSL. This group managed to implement more solutions that were favorable to its electorate than did the SLD. The electorate of the latter (the public sector constitutes a considerable portion of it) has felt the most negative changes over the past year. The satisfaction of peasants and PSL sympathizers may result from one more fact—regaining power at the lowest, gmina [smallest administrative unit] level, which is a consequence of the local elections.

Beside peasants, those who observed positive changes were also white-collar workers and the unemployed, inhabitants of rural areas, and people with the lowest income per family member. However, people with the lowest incomes per family member at the same time most often felt negative changes. Positive changes were mentioned not only by supporters of the coalition parties—the PSL and the SLD—which is understandable, but also by supporters of "Self-Defense."

Younger people—up to age 24—noted positive changes the least often. Such changes were not felt over the past year by professionally active people under age 59 far more often than by older people, with higher and vocational education. Apart from peasants, actually all professional groups did not feel those changes to a similar degree: primarily inhabitants of large cities and small towns, supporters of right-wing parties making up the 11 November Accord, and the electorate of the Freedom Union.

Negative changes resulting from the governing of the PSL-SLD coalition were felt primarily by people between the ages of 25 and 59—that is, people whose professional activity is greatest—as well as by people with secondary education, employed in the public sector, and the unemployed. As for professional groups, these changes were noted chiefly by white-collar workers, skilled workers, and private entrepreneurs. These are mainly inhabitants of large towns and cities, supporters of the Confederation for an Independent Poland, the

Nonparty Bloc in Support of Reforms, and the Covenant for Poland.

Do you sense that any changes have taken place in your life since the PSL-SLD coalition took over power and the Pawlak government was formed?

Positive changes	
No	71 percent
Yes	15 percent
Hard to tell	14 percent
Negative changes	
No	51 percent
Yes	36 percent
Hard to tell	13 percent

This research was conducted on 19-20 November 1994 on a representative 1,030-person sample of adult inhabitants of Poland.

Foreign Investment in Central Europe Compared 95EP0011A Warsaw POLITYKA-EKSPORT-IMPORT in Polish No 43, 22 Oct 94 p 2

[Article by (pat): "The Wandering Billions: In Central-East Europe, Foreign Capital Invested Has Been as Much as in Thailand by Itself"]

[FBIS Translated Text] Properly speaking, the climate around foreign investment has always—and not just in Poland, either—been ambivalent. On the one hand, such investment is desirable because there are few countries suffering a surplus of free capital. On the other, here and there and on various occasions, the argument of "loss of economic sovereignty" or "sellout of national property" has been employed. In this country, such an argument has reached ludicrous extremes, yet even the pragmatic Americans are worried about the "Japanese invasion" and deplore the loss of the most splendid skyscrapers in Manhattan and all built-up areas in the Hawaiian Islands.

This mood of mistrust in West Europe, the United States, and even in China has now clearly passed, however. Most politicians ceased to look for the hole in the doughnut. The advantages ensuing from foreign investment have become too evident. This change of mood occurred all the more readily in view of the markedly improved business cycle last year and this. In such a situation, people are bound to be more satisfied and have fewer doubts.

A Ray of Sun

In their last report on direct foreign investments, the experts of the United Nations Industrial Development Organization (UNIDO) were clearly gratified to state

that, following several years of regression, some growth has finally been recorded in that field. To be sure, the growth was not that imposing. In 1992, worldwide foreign investment was reckoned at \$171 billion, and a year later it grew to \$195 billion, which is still far from the record \$232 billion in 1990, which anyway is hardly impressive. It can be assumed that this record will be readily surpassed in the next few years because the world is passing from a recession, or at any rate from stagnation, to a period of accelerated—may it long continue—growth.

But that is not all of the changes. Judging from the results of 1993, it appears that the United States has solidly regained its standing as the biggest capital exporter. In the years 1990-93, considerable shifts took place in that respect. Japan, which led the pack at the threshold of the current decade, dropped steeply to fifth place (only \$12 billion). Currently, it is outranked by the United States (\$50 billion), Great Britain (\$26 billion), France (\$21 billion), and Germany (\$17 billion). Altogether, this Big Five accounted in 1994 for 64 percent of worldwide direct foreign investments, a proportion that has remained basically unchanged for years. Taken together, last year the developed countries thus invested \$181 billion, or as much as 93 percent of the total.

One Hand Washes the Other

Investment capital not only derives from the richest countries but also is invested chiefly in the West (56 percent). It is worth noting, however, that the share of the developing countries has been clearly rising in the past four years. In 1993, nearly \$80 billion was invested in these countries, which is twice as much as in 1991. In China alone, the investment influx reached \$26 billion, thus making it the second-largest recipient. The first, following a year of dramatic decline, was again the United States, in which investors left \$32 billion. That is a lot, but, at the end of the last decade, it was even more.

As can be expected, interest in developed countries varies considerably. A definite majority of investments are located in 10 to 15 of the most attractive countries, including China, Singapore, Mexico, Malaysia, Argentina, Brazil, and Thailand. The least-developed countries in 1992 (the most recent available figures) received just 0.6 percent of the foreign capital invested in the developing countries. That was only one-fourth of the average for the second half of the 1980's.

In 1993, a mere \$300 million was invested in the 47 poorest countries of the world, the same amount as in Pakistan by itself. Unfortunately, there do not seem to exist chances for a rapid change in this proportion. Private investors look for political stability, a market economy, and civilized laws, all of which are absent in such countries, and hardly anyone wants to commit financial suicide.

A Mere Trickle

These statistics also look unpromising for Central-East Europe. According to UNIDO, foreign investment in

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that region in 1993 totaled nearly \$5 billion, or about as much was invested during the same year in Mexico. Altogether, in recent years, a total of about \$13 billion has been invested in Central-East Europe, about the same as in Thailand alone. So far, therefore, and certainly to the regret of people who are betting on Poland's integration into Europe, the fears of representatives of the Third World, who felt alarmed that, owing to its political and economic reforms, East Europe would absorb a substantial part of foreign investments, have been groundless. To be sure, in the past three years, some increase has been apparent, but this is still a tiny slice of the pie, incommensurate with the aspirations and possibilities of individual countries. We are all at only the beginning of the road, and, what is more, some are still not certain of their goal.

The fewest doubts about this matter concern the Czech Republic, Poland, and Hungary. In effect, early in 1993 they accounted for three-fourths of all foreign investments in the region. On the other hand, certain countries of the former Soviet Union are complete white spots on the investment map. Altogether less than one-tenth of the total has been invested in the countries of the Russian Federation. It is only last year and this (UNIDO has not yet gathered detailed information on this subject) that the situation has begun to improve somewhat.

As can be expected, the principal partners derive from West Europe. Japan, which is otherwise so aggressive elsewhere, in this case remains very restrained. It is estimated that 95 percent of foreign investments in Slovenia, 75 percent in Hungary and Estonia, 45 percent in Lithuania, and 35 percent in Belarus derive from West European countries. Investors from the European Union, particularly Germans, Italians, and the English, predominate in Hungary, Poland, Romania, and Slovenia. In contrast, investors from India, Iran, Pakistan, South Korea, and Turkey have not feared investing their money in the Central Asian republics of the former USSR.

More than half of all foreign investments in Central-East Europe are in industry, with the exception of Estonia, where they are in trade. In a few countries, the decisive investments are made by single companies—for example, Volkswagen in the Czech Republic and Fiat in Poland. Services and trade rank second. In Slovakia, for example, 23 percent of investments are in trade, and in Poland 16 percent. In its turn, Hungary is the first country that dared to admit foreign capital to the sector of banking and insurance services.

Penny After Penny

Foreign investments in Central-East Europe are usually on a small scale, with the participation at present of as many as 50,000 branches of large and small foreign companies. Thus, while the amount invested in an

average branch in the West is \$18 million, in the developing countries it is \$4 million and in East Europe as little as \$260,000. In Hungary, which after all leads the region, capital exceeding \$1 million per venture has been invested in only 4 percent of joint ventures. In Romania, as many as 95 percent of foreign investors confine themselves to investing not more than \$50,000 per joint venture.

In such a situation, it is not surprising that, in 1992, joint ventures accounted on average for generating only 3 percent of the GDP in this region. But in Russia it was even less, 0.9 percent, and in Ukraine 0.3 percent. Only in Hungary, Estonia, and Poland did joint ventures account for as much as 17, 11, and 7 percent, respectively, of the overall sales volume of all enterprises. These also are the sole countries in which foreign companies definitely affect the level of employment (4.5 to 2.3 percent of total employment). For the region as a whole, their share is less than half a percent, or practically intangible.

In per capita terms, the largest foreign investments occurred in Hungary (\$407), former Czechoslovakia (\$199), Estonia (\$80), and Poland (\$51). Were all the declared and not just implemented investments to be considered, the list would be led by Slovenia (\$600), and the indicator for Hungary would rise to \$572 per capita.

Strong, Cohesive, Ready

Foreign investments are a domain of transnational corporations. According to UNIDO, in the early 1990's they numbered at least 37,000. All over the world they maintained more than 200,000 branches, with a sales volume totaling (in 1991) \$4.8 billion, or more than the overall volume of international trade in that year. Altogether, these corporations employ 73 million people, which accounts for 10 percent of nonfarm employment.

Two-thirds of all of these corporations (about 26,000) had their head offices in the 14 richest countries. Their internal operating volume was equal to one-third of the volume of world trade. The first 100 biggest corporations owned assets worth \$4.3 billion and, according to estimates, control one-third of all direct foreign investments.

Strangely enough, UNIDO experts found that as many as 400 transnational corporations also operate in the countries of Central-East Europe (58 in Poland). That is a lot, though still fewer than in Hong Kong, where 500 are registered. UNIDO also found that 21,800 branches of various big corporations operate in Central-East Europe (3,800 in Poland). In the opinion of representatives of the State Agency for Foreign Investments, transnational corporations account for about 70 percent of all foreign investments in this country, which does not at all mean that they are investing here a lot and without deliberation.

As in many other countries of Central-East Europe, the approach of these corporations to investing here is cautious and detached. Were all the announced foreign investment projects in Central-East Europe to be implemented, some 100,000 branches of foreign companies would be operating in the countries of the former CEMA, and the capital committed would reach \$19 billion.

Unfortunately, nothing indicates that the current rather modest pace of growth of foreign investments in East Europe will rise significantly in the next few years. The leaders of the developing countries and the proponents of the slogan "Poland for Poles" can sleep in peace. We are climbing that mountain slowly, the more so because some consider it steep.

10 Biggest Transnational Corporations

Rank	Name	Country	Industry	Foreign Assets (in billions of \$)
1.	Royal Dutch/Shell	Great Britain, Netherlands	Refinery	69.4
2.	Exxon	United States	Refinery	48.2
3.	IBM	United States	Computer	45.7
4.	General Motors	United States	Automotive	45.7
5.	Hitachi	Japan	Electronic	x
6.	Matsushita Electric	Japan	Electronic	x
7.	Nestle	Switzerland	Food	28.7
8.	Ford	United States	Automotive	28.0
9.	Alcatel Alsthom	France	Electronic	x
10.	General Electric	United States	Electronic	24.2

x = estimated; data not available

Source: UNCTAD, World Investment Report 1994

[Box, p 2]

Foreign Investments (in Billions of Dollars)

In the developed countries, these investments totaled \$176 in 1990 and \$109 in 1993. In the developing countries, they totaled \$31 billion in 1990 and \$80 billion in 1993. In Central-East Europe, they totaled \$0.3 billion in 1990 and \$5 billion in 1993.

[Box, p 2]

Biggest Foreign Investors Worldwide (in Billions of Dollars)

In 1990, the world's biggest foreign investor was Japan (\$48 billion, compared with \$12 billion in 1993). The other biggest foreign investors were, in this order: the United States (\$24 billion in 1990 versus \$50 billion in 1993), Great Britain (\$19 billion in 1990 versus \$26 billion in 1993), France (\$35 billion in 1990 versus \$21 billion in 1993), and Germany (\$29 billion in 1990 versus \$17 billion in 1993).

Waniek Says Civilian Control Over Army Needed

WS0512141594 Warsaw POLSKA ZBROJNA in Polish
2-4 Dec 94 pp 1-2

[Interview with Polish Deputy Defense Minister Danuta Waniek by Stanislaw Lukaszewski; place and date not given: "The Logic of Democracy, or On Civilian Control Over the Army"]

[FBIS Translated Text] [Lukaszewski] You have returned from Great Britain, from an international colloquium devoted to civilian control over the army. How is the problem of civilian and democratic supervision over the army solved in the West?

[Waniek] There are 16 ways of exercising civilian control over the army in NATO countries. Control is exerted differently in states with a presidential system—for instance, the United States and France—and differently in parliamentary-cabinet systems such as Great Britain or in chancellor systems as in West Germany. Regardless of differences resulting from traditions pertaining to the systems of particular states, there are certain standards of a universal nature. One of them is developing or establishing defense tenets, as well as basic principles of foreign policy, including military, by top civilian state authorities. Another feature of these principles is that direct control over the army is exercised by a government that is held responsible before parliament, which in turn defines the level of expenditures on military objectives and supervises their implementation.

I wish to emphasize that these fundamental principles are ingrained in the logic of a pluralist democracy, in which state authorities are appointed through free elections. The government may be rightist or leftist, depending on the will of society at any particular moment. The army, however, is a fixed element of the state, unchanging in nature, and is expected to guarantee all citizens with a feeling of safety, regardless of their political opinions and attitudes.

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[Lukaszewski] Our model of civilian control over the Army is only beginning to take shape, and not without difficulty. How can we adapt the model in our democracy to solutions applied in the West, without losing any part of our national identity?

[Waniek] Because we do have a national identity, I do not understand why we should give any part of it up when adapting a model of civilian control over the Army. Could it be that part of that identity is a lack of control over the Army? Probably not. Or that control is exercised by a monopolist party? No. I do not think that is the case. I believe we must base this control on a constitutional model of the state and the existing law. I do not see any other way. The Constitution is laid down, as everyone knows, by a sovereign parliament or by the nation. A referendum is to be held. Sovereignty in laying down the constitutional model of the state is, in my view, a guarantee for preserving our own traditions.

It is true, however, that this is more difficult in practice than in theory. At the seminar in Great Britain, it was strongly emphasized that there must be a national consensus on the issue of civilian control.

[Lukaszewski] Of what will it consist?

[Waniek] The nation will be unable to control the Army unless the latter accepts it. On the other hand, society will not want to allocate money to the Army if it is unable to predict its behavior. Both sides must understand and apply the standards of democratic control jointly and according to the same methods.

[Lukaszewski] What was special about the discussions in which you took part? What were the issues that were important from our point of view? Were you asked any questions? About what were you asked?

[Waniek] I did not go to Great Britain to answer questions. I must honestly tell you that, during my recent trips abroad, all discussions have begun with questions concerning Drawsko.

[Lukaszewski] Does the West understand our difficulties?

[Waniek] Those difficulties are not specific only for Poland. Difficulties with approving or understanding civilian and democratic control over the army are experienced by all former socialist states. The seminar was attended by representatives of Central and East Europe. I asked the hosts why they had organized the seminar. They stated that it was a form of assistance. They stressed that we were representatives of sovereign states, and it was up to us to decide what methods to use and how. They believe it might be worthwhile for us to refer to the experience and models of others in the learning process. It is all the more worthwhile to avoid eventual difficulties with solving problems due to a lack of knowledge and skills.

[Lukaszewski] Do we ourselves know what civilian control over the Army will entail?

[Waniek] I believe we know a lot about that. I must say I have devoted my entire term in office at the Ministry of National Defense [MON], among others, to studying the various aspects of this issue. I believe we will neither apply this knowledge in practice nor popularize it unless we adopt one method of procedure—namely, cooperation and mutual trust between civilians and the military. If I were to give an example of support and enforcement of the principle of democratic control over the Army, I would mention cooperation of nonmilitary and military elements in the civilian part of MON.

[Lukaszewski] Do you believe it is possible to reconcile the postulate of civilian control with the requirement of the apolitical character of the Army?

[Waniek] Of course, it is possible to reconcile the two because, if others can do it, so should we. The call for an apolitical army is, according to me, slightly distorted in our political practice. Ministers and deputy ministers have always been political to a certain extent. They always implement the policies of a specific government; they are "dealt from a specific deck." As I see it, there are no apolitical ministers. One cannot claim, for instance, that, if a minister is a coalition candidate, he is a political minister, and that, if he is a candidate put forth by the president, he is apolitical, if only for the reason that our president is not apolitical.

I believe that the dividing line between the political part of the ministry and the rest should reach no higher than the deputy minister level. Deputy ministers are the variable element; they come to the ministry when governments change. The others should have a sense of security in fulfilling their duties. However, everyone should observe the principle of apoliticalness, which is derived not from slogans or words but from the law. The obligatory law and the structures that are based on it should decide about the apolitical character of the Army.

This nonpolitical character in terms of the Army is, in practice, a passkey used by politicians in certain circumstances. In the Constitutional Committee of the National Assembly, we should find a precise answer to the question of what the apolitical nature of the Army is to entail, how far it reaches. During a recent Sejm debate on the voting rights of professional soldiers, I said that, if we are to take the nonpolitical character of the Army for granted, we must approve limiting the passive voting rights of professional soldiers. A soldier who wants to take part in political life is entitled to do so, as is any free citizen. The Army, however, is specific and has special objectives. Therefore, professional soldiers should consider the consequences of choosing to perform certain duties.

[Lukaszewski] Which model of civilian control over the Army do you find most appropriate?

[Waniek] I have already said that the model of exercising control over the army depends on the political system of the state. I never advocated a presidential system. I prefer a cabinet-parliamentary system. Therefore, I support models applied in West Germany and Great Britain.

[Lukaszewski] Does the West trust us?

[Waniek] That is a very difficult question to answer at the present time. I think that generally it does. However, the latest developments between civilian officials and commanding officers have surprised our potential allies in the West—hence all the questions full of anxiety.

[Lukaszewski] Why was the international colloquium on civilian control over the Army organized? Was there any important reason?

[Waniek] The Army represents a major force, and I mean a military force. Under specific political conditions, it may threaten the state. Any force used against the state, at present, could endanger democracy.

[Lukaszewski] How pragmatic was the session?

[Waniek] I wish to stress that I went to Great Britain along with Dr. Maciej Falinski, and we did not go there empty-handed, which was noticed. One could see that from the type of questions asked and the statements made. We proved that we have knowledge of the subject. What interests us most, and what is our main concern right now? The methods of recruiting civilians to work for the Army, how to train and prepare them. We do not have staff adequately prepared to work for the military. We do, however, have an idea for introducing such a system and presented it in Great Britain. We contrasted our ideas with Western experiences. In recent years, we reduced the Army and shall probably continue to do so. Our system, for instance, provides for preparing military employees, those who must depart to the civilian sector, to specific civilian posts within the Army. We want the Army to use the experience of former military employees. Their knowledge is often unique. We cannot let such a treasure trove of knowledge perish.

[Lukaszewski] What are the sources of misunderstandings pertaining to the division of MON into civilian and military sections?

[Waniek] I am very sorry to say that the vertical division into the civilian part and the General Staff has brought us a lot of harm. The problems we are finding so difficult to solve today are primarily due to that division. It was once carried out on the basis of the so-called Zabinski

Report. I do not believe it was done in bad faith. Currently, however, we must quickly draw conclusions from the negative experiences of recent years. I believe this vertical division is the source of the present conflict. It has caused a situation in which there are, in fact, two ministries. This is wrong.

[Lukaszewski] Are you satisfied with the discussion at the colloquium in Great Britain, or are you perhaps slightly disappointed?

[Waniek] Dear Sir, this is not the first colloquium of this type that I have attended. Such an exchange of ideas is necessary because it gives us new experiences, shows us new directions. Also, it is always good to know you are thinking along the right lines. It is very satisfying. We are very content with such a visit. We have huge achievements, which are usually overlooked and underestimated in times of conflict.

[Lukaszewski] Are you the only woman to represent the defense ministry of a Western country? How are representatives of the fairer sex approached in discussions on traditionally masculine topics?

[Waniek] In the West, the divisions between traditionally masculine and feminine topics have faded far more than in our country. It is a case of pursuing a specific career. I have chosen this one. I do not see many differences between men and women in discussions on political and military issues.

[Lukaszewski] Some politicians claim that our path toward civilian control over the Army is very long compared to that of the West, apparent proof of which is the so-called crisis in MON. What is your opinion on that?

[Waniek] I believe we have already covered the longest leg of the journey. There is a consensus among parliamentary powers as far as a consequent implementation of this principle is concerned. And the determination of the majority of parliamentary and some of the extraparlimentary forces is so huge—I would like to call your attention to provisions of the draft constitution presented by Solidarity—that all we can do is accelerate our work in this respect. The implication is that the various political parties share the same or similar opinions on the issue. This guarantees that we will consequently implement the principle of civilian control over the Army. I think the Army commanders should take this into consideration.

[Lukaszewski] Thank you for the interview.

Iliescu on EU Membership, Bosnian Conflict

BR0112140594 Paris LE FIGARO in French 1 Dec 94
p 4

[Interview with President Ion Iliescu by Stephane Kovacs in Paris; date not given: "Ion Iliescu: The Seeds of a Generalized Conflict"]

[FBIS Translated Text] [Kovacs] In August three representatives of the National Union Party, an ultranationalist party, entered the Romanian Government. Is the large Hungarian minority wrong to be concerned?

[Iliescu] Of course there are extremist elements in this party, but I do not think you can really describe it as an extremist party. Those who entered the government are moderates. They were chosen for their skills. I do not think there is any danger to the Hungarians. They are so touchy!

[Kovacs] Nevertheless, the Romanian Parliament recently passed a law that punishes with three years' imprisonment anyone parading with a foreign flag or singing a foreign national anthem...

[Iliescu] That law is still being debated in the two chambers. The idea is to get people to respect the national symbols, not to oppress people. It is aimed at certain nationalist tendencies...

[Kovacs] The OECD has put Romania at the bottom of the league of Central and Eastern European states in terms of growth, GDP, and inflation: 48 percent of Romanians live on or below the poverty line. Will they have to continue tightening their belts for much longer?

[Iliescu] We are still going through a difficult period, even if we did make significant progress last year. We managed to halt the slide in industrial production, stabilized the currency, and reduced inflation from 300 percent in 1993 to 70 percent this year. Industrial production and, above all, exports started to take off again. Tourism now represents one third of the GNP.

[Kovacs] How far have you gotten with privatizations?

[Iliescu] We started the process immediately after the revolution. There are currently more than 500,000 private companies. The government's main concern is now "mass privatization." This involves more than 6,000 companies. The problem is that we do not have the capital. At the moment, Parliament is examining a bill for the free distribution of 30 percent of shares to the people, as a kind of reward for their efforts. We can then only hope for foreign capital to be invested. We have adopted new laws to encourage investors.

[Kovacs] You want to join the European Union [EU]. Compared with the Czech Republic or Hungary, do you not fear you will be treated like a second-class partner?

[Iliescu] Romania has its own advantages: With 23 million inhabitants, it represents a major market. Our geostrategic location is also an advantage: We are on the

edge of the Black Sea and we have the Danube delta. For Europe, this is a door opening onto the Middle East.

[Kovacs] How do you view the Bosnian conflict? You give the impression of being rather pro-Serbian...

[Iliescu] That is not correct. Romania is above all pro-Romanian. In any case, we are looking to have good relations with all our neighbors. Where the former Yugoslavia is concerned, Romania is pro-Yugoslav: We have good relations with all the new states that have been created there. We are in favor of a peaceful solution to the conflict that will be in the best interests of this heroic people.

Party Rejects Council of Europe Report on Moldova

AU0612091094 Bucharest Radio Romania Network in Romanian 1400 GMT 5 Dec 94

[FBIS Translated Text] Corneliu Coposu, president of the National Peasant Christian Democratic Party [PNTCD], said at his party's weekly news conference today that he realized from his contacts with senior German officials that Romania's image has improved substantially and that Bonn is ready to become involved in helping Romania both economically and politically. In this respect, the PNTCD president emphasized that Germany firmly supports the idea that the former communist countries in Central and Eastern Europe should be admitted to the Euro-Atlantic structures without discrimination.

For his part, Ion Diaconescu, first PNTCD vice president, who participated in the recent session of the parliamentary assembly of the Western European Union [WEU], said that in matters of foreign policy, the point of view presented by President Ion Iliescu is similar to that of the opposition; however, essential differences exist in the sphere of domestic policy.

Senator Valentin Gabrielescu, who had just returned from the session of the Council of Europe's commission on the admission of new members, expressed his dissatisfaction with the report drafted by a group of European members of parliament on the situation in the Republic of Moldova. He considered it revolting that the report in question should state that the 14th Army consists mainly of Moldovans and that the Romanian authorities do not want its withdrawal. Senator Valentin Gabrielescu told the press that he had managed to convince the commission to return to the Republic of Moldova and talk to General Lebed [14th Army commander]; Igor Smirnov, the separatist leader in Tiraspol; and Ilie Ilascu [Moldovan nationalist leader arrested in Dniester].

The news conference was also attended by a delegation of the Conservative Party of Great Britain led by Michael Fallon, former education minister in Margaret Thatcher's cabinet. The British guest emphasized the good relations between the Conservative Party and the PNTCD and stated the Conservative Party's readiness to share with the PNTCD its experience in electoral campaigning and governing.

**Nuclear Power Plant Systems 'Successfully'
Tested**

*AU0612082894 Bucharest Radio Romania Network in
Romanian 2000 GMT 5 Dec 94*

[FBIS Translated Text] Our correspondent Constantin
Lamba reports that at Unit 1 of the Cernavoda nuclear

electric power plant today, the operation of testing the
primary circuit [circuitul primar], an extremely impor-
tant step for putting that unit into service, was success-
fully completed. The testing, which has taken place over
the past 10 days, presupposes the running of about 80
percent of the power plant's systems at temperatures
ranging between 60 and 260 degrees centigrade.

Buha: Pale Should Consider Accepting Peace Plan

AU0512174594 Paris AFP in English 1736 GMT
5 Dec 94

[FBIS Transcribed Text] Belgrade, Dec 5 (AFP)—Bosnian Serbs should consider accepting the "Contact Group" peace plan for Bosnia dividing the country, a delegation from the self-styled rebel Serb parliament said here Monday.

Speaking after a meeting with Serbian President Slobodan Milosevic, delegation leader Aleksa Buha, the Serbs' "foreign minister," said the Serbs "should study the possibility of accepting the Contact Group plan."

Rose, Rifkind, Serb Leaders Discuss UN Role

AU0612104494 Paris AFP in English 0901 GMT
6 Dec 94

[FBIS Transcribed Text] Sarajevo, Dec 6 (AFP)—The role of the UN Protection Force (UNPROFOR) in Bosnia remained clouded Tuesday after talks between UN and Serb military leaders on rules of engagement and as British Defence Minister Malcolm Rifkind completed a two-day visit to the country.

General Michael Rose, commander of UN forces in Bosnia, held several hours of discussions with the Serb military deputy leader, General Milan Gvero, late Monday at the former ski resort of Jahorina, just south-east of Sarajevo.

The role of NATO in the Bosnian conflict was discussed at the meeting which the Serb military leader General Ratko Mladic did not attend as had been announced.

UNPROFOR spokesman Lt.-Col. Jan-Dirk von Merveldt said Rose was to seek assurances from the Serb side regarding freedom of movement for UN convoys which have been blocked since mid-November when North Atlantic Treaty Organisation warplanes struck at Serb missile batteries in the north of the country. Further details were not immediately available.

A further concern was the surge of Serb activation of their missile systems, locking on their radar to NATO planes and incoming UN planes, and the lack of assurance from the Serb side enabling UN officials to reopen Sarajevo airport.

A UN spokesman last week noted an "unprecedented" level of non-cooperation and harassment of UN personnel in recent weeks, which he said had been deliberately designed to impede the UN operation.

Rifkind meanwhile was at Vitez, in central Bosnia, on the second and last day of briefings with British military leaders upon which he was to base a decision by the British government later in the week on whether to withdraw the British peacekeepers from Bosnia.

On Monday at Gornji Vakuf, after his arrival from Split on Croatia's Adriatic coast, he said he found the harassment of UN troops "very, very worrying."

British premier John Major warned in Budapest Monday that there was "not much time left" before a pullout might have to be decided.

A delegation of the Serb self-proclaimed parliament said in Beigrade Monday that they could "study the possibility" of accepting the latest contact group peace plan proposals.

'Withdrawal Option' Discussed

AU0512195194 Paris AFP in English 1920 GMT
5 Dec 94

[FBIS Transcribed Text] Sarajevo, Dec 5 (AFP)—Visiting Defence Minister Malcolm Rifkind said Monday [5 December] that Britain would not withdraw its UN peacekeeping contingent from Bosnia unilaterally and committed Britain to its peacekeeping role in the former Yugoslav republic.

However Rifkind told reporters at Gornji Vakuf, in central Bosnia, that the withdrawal option would have to be considered if a political settlement was not forthcoming.

The issue was to be discussed at a British cabinet meeting on Thursday, he said, quoted by UN Protection Force spokesman Major Rob Lyman at Vitez, also in central Bosnia.

The minister, who was on the first leg of a two-day visit to Bosnia-Herzegovina, was briefed by Brigadier Robert Gordon, commander of Sector Southwest.

He said he found the increased tension and harassment of UN troops in Bosnia "very, very worrying" and warned that if that continued "that would of course render the whole mission totally impossible."

Rifkind travelled later on to Vitez and was to spend the night there before holding further talks with officers of the British UN peacekeeping mission in Bosnia.

In Split Rifkind held talks with the commander of UN forces in Bosnia, General Michael Rose, and expressed concern about the resurgence of fighting in the north-western enclave of Bihac, where the UN has declared a safe area around the town of Bihac, which Serb forces are poised to overrun.

Rose told reporters there was a "moral duty" to carry on the peacekeeping mission "if at all possible," and pointed to the release of detained peacekeepers last week as a hopeful sign, along with increased dialogue with the Bosnian Serbs.

Rifkind pledged to keep British troops in Bosnia but only if they could fulfill their humanitarian mandate.

However British and French leaders have warned that they might have to withdraw their contingents from Bosnia in the light of the deteriorating situation there.

In Budapest, where he is attending a summit of the Conference on Security and Cooperation in Europe, British Prime Minister John Major warned that there was "not much time left" before a pullout might have to be decided.

Deteriorating Situation for UN Troops Reported

LD0512213094 Paris France-2 Television Network in French 1900 GMT 5 Dec 94

[FBIS Translated Excerpt] While diplomats are holding talks in Budapest, the situation is increasingly precarious—serious even—in Sarajevo, for the UN troops deployed there. They are facing quasi-general hostility. They—the French troops especially—have increasing doubts every day about the need for their presence on the ground. Our special correspondents Laurent Boussie and Philippe Deslandes report:

[Boussie] [passage omitted] The UN troops have been immobilized by the Serbs and sometimes rejected by the Bosnians, and their position is increasingly uncomfortable.

[Begin General Gobillard recording, UN Protection Forces commander in Sarajevo] We are at an impasse this evening. The checkpoints are not open. There is no freedom of movement for my troops; some are still at assembly points and at observation points, and they are not allowed to go out.

I believe this evening that it has not been possible for us to carry out this mission for more than a fortnight now. I find this less and less acceptable as time goes by. Should I be prevented from carrying out my mission, it is obvious that I will draw the consequences and report to the UN authorities who will take the necessary measures. [end recording] [passage omitted]

Ganic Criticizes Negotiations With Milosevic

BR0512132794 Paris LE FIGARO in French 5 Dec 94 p 3

[Report by Xavier Gautier: "Sarajevo Predicts the End of the Peace Plan"]

[FBIS Translated Text] The number-two man in the Bosnian Government, Ejup Ganic, denounced France and Britain's "pathetic gesturing" in Belgrade.

In the Bosnian Presidency Building, pockmarked by shells, officials greeted with contempt the meeting held by French Foreign Minister Alain Juppe, his British counterpart Douglas Hurd, and Serbian President Slobodan Milosevic yesterday.

If the two diplomats went to offer an arrangement to the person considered here to be "the mentor of Serbia's

aggression" against Bosnia, "then the peace plan will have been definitively buried by the same people who proposed it," Bosnian Vice President Ejup Ganic declared.

Officially, the French and British ministers were attempting to revive the plan for the partition of Bosnia, offering 51 percent to the Bosnian Serbs, who now occupy 70 percent of the territory. This plan, described as "a last chance," died last August after Pale refused to endorse it. "What did Hurd and Juppe offer to Belgrade?" Mr. Ganic asked. "A confederation between the Serbs in Bosnia and their brothers in Serbia?"

Nightmare

In the Bosnian Government's opinion, "that represents a considerable weakening of the West's demands. Any confederation between the so-called republic of Bosnian Serbs and Serbia is unacceptable to Sarajevo," the vice president stressed. "We agree with open borders for persons and goods. But an international recognition of a Serbian-Serb confederation would cast a fatal shadow over the sovereignty of Bosnia-Herzegovina."

The "French-British mission to Belgrade is pathetic gesturing. It is worthy of Chamberlain's policies," Ganic accused, alluding to the Allies' weakness against Adolf Hitler in 1938-39. And in this diplomatic ballet, it is Douglas Hurd who is "leading the dance," according to Ganic.

French foreign policy? "It consists of aligning itself with the policy dictated by London, of making one positive step forward and two steps backward," he said. London, for its part, "is constantly blocking British General Michael Rose, the commander of the UN Protection Force, from calling in air strikes, to not further aggravate the disputes which are weakening NATO," Mr. Ganic fumed. When the Atlantic alliance interrupted its surveillance of Serbian positions over the last seven days, "it was the British who decided and the French who obeyed."

Is it not Washington, instead, which made a spectacular about-face by declaring last week, through Defense Deputy Secretary William Perry, that the Serbs had won the war? "The Pentagon immediately sent us a letter of denial. The Bosnians do not have evidence that the Americans have abandoned their moral support for a multiethnic Bosnia," Ejup Ganic declared. He met yesterday with Charles Redman, U.S. special envoy to Yugoslavia, trying to minimize such reports.

Mr. Ganic, who will become president of the Croat-Muslim Federation in January, is also professor of nuclear physics in Chicago. He noted that NATO yesterday discovered about 100 extremely sophisticated ground-to-air missiles behind the Serbian lines. "We did not have such missiles in the former Yugoslavia. Where did they come from? From Russia," he asserted.

From Sarajevo's viewpoint, the scenario for the coming months resembles a nightmare: Supported by Moscow, the Serbs will end up achieving their objectives. Ejup Ganic threatened: "If all of our boats are burned, if the United Nations continues to see its action paralyzed by the Serbs, and if the arms embargo against Bosnia is not lifted, then the war will continue, and for a long time."

Karadzic: U.S. Wants To Continue War

NC0512214394 Athens KIRIAKATIKI
ELEVTherotiPIA in Greek 4 Dec 94 p 18

[Interview with Bosnian Serb leader Radovan Karadzic by correspondent Marianna Polikhroniadhou in Pale on 2 December—ellipses as published]

[FBIS Translated Excerpt] [Polikhroniadhou] The last time you asked to unite with Serbia was on 4 August. Are you continuing to make the same request?

[Karadzic] Right now is not a suitable time to unite with Serbia because the international community is against us. However, we retain the right to decide on our people's fate as stipulated by the international treaties. At this stage, we are pursuing our recognition internationally as a sovereign state. After that, we will have time to decide about union with Serbia. [passage omitted]

[Polikhroniadhou] What percentage of territory do you demand to end the battles?

[Karadzic] The percentage is not important. What is important for us is to constitute a unified area and not become another Nagorno-Karabakh. This is what we want, as well as that the state entity that will emerge is viable. However, what we demand for ourselves we also offer to the Muslims because we wish them to have a true state in which they will be able to survive. This is why we are prepared to grant them a part of the 70 percent of Bosnia-Herzegovina that we occupy now so that they can also live. However, in no case can we return... 20 towns to them! The United States drew a map in such a way that we would not accept it and the war would continue. If the United States really desires peace then it knows very well how we can be led to that.

[Polikhroniadhou] Can the United States change the map?

[Karadzic] Of course, it can! The question is whether it desires something like this. Allow me to doubt if America seeks a peaceful settlement. The United States needs this war! That is why it is trying to strengthen Turkey and Germany as regional powers, because this is how its interests, which are not positive either for us or for you, are served. For this reason, we must strengthen our links and "it would be desirable" if we could at some time find ourselves in a confederation together....

[Polikhroniadhou] Germany and the United States appear to be following a common policy in the Balkans. Despite all this, do you believe that in the future there

will be a clash between them that will not start from the Balkans but from other areas where they exercise influence?

[Karadzic] The United States now regards Germany as its exceptional associate in Europe. The United States would not object at all if Germany dominated Europe for obvious reasons, as you can understand, because it would weaken the European Union [EU]. If there are any clashes between them, you are right in forecasting that they will emerge from other areas and will be related to the control of oil. As the German diplomacy is relentless in such matters, the Americans are the ones who will be harmed. In such an event, there will certainly be a conflict between them and then the Americans will begin searching for their true allies in the regions, who are nobody else but the Serbs and the Greeks.

[Polikhroniadhou] Are you satisfied with the Russian Government's stance?

[Karadzic] Taking into account that Russia is facing major problems at this time and cannot exercise a dynamic policy in international diplomacy, we are almost satisfied in view of that country's situation.

[Polikhroniadhou] You have said that it would be preferable if the arms embargo against the Muslims was eventually lifted because then they would no longer have an alibi....

[Karadzic] But it is obvious that the whole thing is a big farce. In practice, the embargo against the Muslims is not in force. The Muslims get all the arms they need. After all, the United States would be more sincere if it announced officially that it had lifted the embargo. This way it would not deceive the world and the Muslims would stop being portrayed as the victims. None of the UN decisions are being implemented because the United Nations is facing the same crisis that the League of Nations faced before World War II. [passage omitted]

UN Military Observers Held in Banja Luka

AU0612131594 Paris AFP in English 1257 GMT
6 Dec 94

[FBIS Transcribed Text] Zagreb, Dec 6 (AFP)—Five UN military observers are being used as "human shields" by Bosnian Serbs near the airport of the Serb-held town of Banja Luka in northern Bosnia, a UN spokesman said Tuesday.

Three of the observers, or UNMO's, were put under house arrest a week ago when Serbs reacted to NATO air strikes in northwest Bosnia.

One of the UNMO's has heart problems. Serb authorities agreed to let him be evacuated if he was replaced. Two UNMO's were sent Sunday, one to stay in Banja Luka and the other to help evacuate the ill observer, but the Serbs have detained both, bringing the total held to five, UN spokesman Michael Williams said.

According to UN Protection Force (UNPROFOR) radio, 350 UNPROFOR personnel in former Yugoslavia "continue to have their freedom of movement severely restricted by the Bosnian Serb army."

A group of seven soldiers from UNPROFOR's Ukrainian contingent taken from an observation post in sector north of Croatia a week ago, have been freed.

"Negotiations are still going on for the recovery of their APC", according to UN radio.

Serb Forces, Allies 'Poised To Enter' Bihac

*AU0612111994 Paris AFP in English 1017 GMT
6 Dec 94*

[FBIS Transcribed Text] Sarajevo, Dec 6 (AFP)—Serb forces and their dissident Moslem allies kept up pressure on outgunned Bosnian Government troops in the northern Bihac pocket Tuesday, pounding nearby towns with shellfire and attacking army positions, a UN spokesman said.

The Serbs, who are besieging the enclave and are poised to enter Bihac town, shelled its outskirts, notably Velika Kladusa to the north, and launched several assaults against the Bosnian government 5th army trying to defend the pocket.

The Serbs were backed by supporters of the rebel Moslem leader Fikret Abdic, whose revolt against the Sarajevo government was put down by government troops last August.

The 346 Bangladeshi troops stationed in Bihac town were holed up inside "to avoid stray bullets", said Major Herve Gourmelon, a spokesman for the UN Protection Force.

Serb artillery also slammed into other towns on the edge of Bihac, including Zegar and Vedro Polje, the spokesman said.

Bihac hospital was hit Monday [5 December] by two 12.7-mm bullets though no one there was hurt, the major said.

Bosnian Serb authorities meanwhile demanded that the UN Protection Force request permission for any movement into Serb zones around Sarajevo. Two empty food convoys which left Sarajevo early Tuesday for the Adriatic coast to restock were turned back at the first Serb checkpoint out of the city, at the suburb of Ilidza, Kris Janowski for the UN High Commissioner for Refugees said.

The humanitarian situation in several enclaves is critical, notably in Bihac where the civilian population has received no humanitarian supplies for six months.

Fighting 'Flaring Up'

*AU0612122594 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1100 GMT 6 Dec 94*

[Report by Muhamed Mulic]

[FBIS Translated Text] Last night and this morning, Karadzic's and Martić's chetniks continued the fierce offensive in the theater of operations of the 5th Corps of the Army of Bosnia-Herzegovina. About 1,000 howitzer, mortars, and tanks projectiles landed in the region of Izacic, Papari, Klokot, and the former Zeljava airport alone. The shelling was accompanied with infantry attempts to breach the defenders lines of defense. All these attacks come from the direction of Licko Petrovo Selo, from the UNPA's [UN Protected Areas] in Croatia.

On that part of the front, it was noticed that artillery is being brought from Slunj, Vojnic, and Plasko on the slopes of [word indistinct] mountain (?near) Licko Petrovo Selo and (?Cadilovac).

Last night, the enemy also attacked Bihac's water system [words indistinct] at the Klokot spring. The fighters of the Army of Bosnia-Herzegovina successfully thwarted that attack and pushed the enemy back to its initial positions. The hospital was fired on with three tank projectiles. These hit the nearby houses. The sports hall accommodating refugees and the people expelled from the Bihac villages near the Croatian border was also the target of the chetnik artillery. Nine refugees were wounded by enemy shells.

Heavy and fierce fighting is also taking place around Velika Kladusa, which is being constantly attacked with artillery from the UNPA's from the so-called Serbian Krajina. One could say that Kladusa is practically in flames.

The chetniks are also attacking with available weapons in the Bosanska Krupa region. The fighters of the Army of Bosnia-Herzegovina are engaged in fierce fighting against the enemy units [words indistinct] the free Bosanska Krupa [word indistinct].

As the day goes by, the fighting is flaring up on all parts of the front in the Bihac region.

This is Muhamed Mulic reporting for the Radio and Television of Bosnia-Herzegovina from Bihac.

Serb Attacks 'Repelled'

*AU0512153194 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1400 GMT 5 Dec 94*

[FBIS Translated Text] The aggressor has been carrying out extremely fierce artillery attacks on the entire Cazin Krajina, on all residential areas. The aggressor's fierce combat operations have been reported on Debeljaca Hill, the Grmusko-Srbijanski Plateau and the Grabez Heights, where he also used teargas. The positions of our defenders on the Bosanska Krupa part of the front also came under artillery fire, and the 5th Corps members repelled several infantry attacks in the region of Hodzina and (?Buzintic).

Following artillery preparations, the aggressor attempted infantry breakthroughs in the region of Vedro Polje, Zegari, and Bugar. It is indicative that the attacks were

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carried out by small-scale infantry forces and that they were preceded by fierce, day-long artillery attacks in order to create the impression of strong infantry forces. This, as well as all the other infantry attacks on our defense, was repelled successfully by the 5th Corps' members. Although one can speak of a lack of manpower in the aggressor's ranks, [words indistinct] certain political support extended from the [word indistinct] logistical support from Serbia and Montenegro and from the occupied Croatian territories. This has enabled the aggressor to create conditions for carrying out fierce, sporadic combat operations, the Press Center of the Bosnia-Herzegovina Army reports.

Serbs Sending 'Thousands' to Bihac

*AU0512213694 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1800 GMT 5 Dec 94*

[FBIS Translated Text] We have received the following statement from the Bosnia-Herzegovina Army Press Center.

Encouraged by the passive stance of the international institutions and certain countries' open support for the continued aggression against the Republic of Bosnia-Herzegovina, the political and military leadership of the self-styled Yugoslavia continues operational preparations for stepping up the aggression.

The elaboration and political coordination of the next phase of the aggression on Bosnia-Herzegovina was carried out at last week's meeting in Karadjordjevo, which, in addition to Milosevic and Kozyrev, was also attended by Nikola Koljevic [Bosnian Serb official], Martić [Krajina Serb leader], and General Manojlo Milovanovic [Bosnian Serb deputy commander]. The coordination of activities in the military and diplomatic spheres was agreed upon at the meeting.

The result of this meeting was the Russian diplomacy's coordinated action aimed at changing the Contact Group plan for Bosnia-Herzegovina and the Russian veto in the UN Security Council on the resolution that would make impossible the delivery of material and technical means to the UN Protected Areas in Croatia and the occupied parts of Bosnia-Herzegovina. Parallel to this and coordinated with the French and British diplomacy are activities aimed at further relaxing the UN sanctions against the so called Yugoslavia with the tacit agreement that the arms embargo—which affects only the legitimate Bosnia-Herzegovina authorities—will be kept in place, thus enabling the Serbo-Montenegrin aggressor's further activities.

As for the military sphere, mobilization of so-called volunteers from Serbia for the Bosnian fronts is being stepped up. Several thousands of volunteers have been registered in the vicinity of Belgrade, while a convoy carrying volunteers to Knin is preparing to leave Novi Sad. Some 7,500 so called volunteers are already in the vicinity of Banja Luka, some 3,000 from Austria alone.

According to Serbian opposition leader Zoran Djindjic's assessment, Martić's and Karadzic's chetnik forces are now better equipped with missile systems and artillery than at the beginning of the war. They now also possess the latest Russian aircraft. The new weapons are being hurriedly positioned on the chosen routes. Activities aimed at strengthening the [Bosanska] Posavina corridor continue. The deployment of vehicles with missile launching ramps mounted on them have been reported in the area. Moreover, on 26 and 27 November, two vehicles carrying arms and technical equipment were dispatched toward Knin and Bihac. All the vehicles, including tanks of fuel, tanks, and missile-launching systems, belong to the army of the so-called Yugoslavia. This is only a part of the equipment, arms, and manpower that has crossed the Bosnian-Serbian border over the past few days. The so-called UN observers are hardly ever present, and when they do appear, they never stay at the border for more than an hour.

The objective of this concentration of forces and arms is to threaten further the safe havens, primarily Bihac and Sarajevo, to secure the Posavina corridor, and to put new pressure on the Bosnia-Herzegovina state leadership to accept the changes to the Contact Group plan demanded by Milosevic, which essentially means the division of Bosnia-Herzegovina.

While several influential international factors see Milosevic as having a key role in peace in the area, he is actually finalizing preparations for rekindling the war blaze, reads the statement of the Bosnia-Herzegovina Army Press Center.

Serbs Target Hospital

*AU0512200894 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1800 GMT 5 Dec 94*

[Report by Nada al-Isa in Zagreb]

[FBIS Translated Text] We are reporting on the current situation on the Bihac front according to information that has just come in from the 5th Corps. The entire territory of the Bihac district is currently coming under intensive shelling, particularly Bihac itself, Velika Kladusa, and Bosanska Krupa with Bihac coming under the fiercest fire, that is, the town, its suburbs, and the nearby front line.

Three tank shells this evening flew over the Bihac hospital and unfortunately hit residential buildings behind the hospital. The hospital is currently being targeted by snipers, shattering window panes and endangering the injured and sick, who are now lying in the corridors.

We have learned that the city's sports hall—situated in the center of Bihac and housing refugees—was shelled today. According to the information available so far, nine people have been injured. There is no information about any possible fatalities. The refugees were immediately moved.

The 5th Corps warns that the aggressor is continuing to bring in heavy artillery and fresh forces to the safe haven from the so-called republic of Serbian Krajina [RSK], mostly to the region of Pljesivica, Licko Petrovo Selo, and the village of Bugar. Tank and infantry movements have been reported from all parts of the so-called RSK.

Bihac this evening is again appealing to the UN Protection Forces to do something to stop the aggression, that is, to make Martić—using force if need be—fulfill his promise that the aggressor's paramilitaries from the so-called RSK will withdraw from the Cazin Krajina.

Hospital Attack Explained

LD0512180494 Sarajevo Radio Republike Srpske
Program for Abroad in Serbo-Croatian 1630 GMT
5 Dec 94

[FBIS Translated Text] Colonel General Manojlo Milovanovic, chief of staff of the Srpska army, has told Serb Radio and Television, Sarajevo studio, that Serb forces have already entered parts of Bosanska Krupa and the left bank of the Una, which has hitherto been controlled by Muslim formations. We did not want to demolish that part of Krupa, so we bypassed it along an elevated route close to it, Gen. Milovanovic said, and added that the Srpska army's aim was to destroy the 5th Muslim Corps in this part of the front line, too.

In the Bihac-Krupa theater of war our forces have managed to crush the Muslim units as they no longer have any room to maneuver either along the front line or behind it, Gen. Milovanovic said. He warned the international community that Izetbegovic's 5th Corps was using the protected zone of the town of Bihac for combat purposes, thus further abusing the Srpska army's restraint from targeting the town itself. The Muslims have recently been concentrating heavy forces around Bihac's hospital, believing they would be safe there, Gen. Milovanovic explained, and warned the international community and the public that using Bihac's regional hospital as a military stronghold could no longer be tolerated. If the Muslim 5th Corps cannot be forced to stop abusing the international protected zone around the town and using it for combat purposes, it is our right to defend ourselves from the aggressors regardless of where they are, Gen. Milovanovic stressed.

UNHCR: Starvation Imminent

AU0512183494 Paris AFP in English 1804 GMT
5 Dec 94

[FBIS Transcribed Text] Zagreb, Dec 5 (AFP)—Starvation will stalk Bihac within days rather than weeks, UN High Commissioner for Refugees (UNHCR) official Monique Tuffelli warned Monday, a day after getting out of the besieged enclave in northwestern Bosnia-Herzegovina.

Tuffelli, who had spent more than a year in Bihac, returned to Zagreb Monday on a UN convoy that

returned to the Croatian capital after bringing desperately-needed supplies to the 1,200-strong UN Bangladeshi battalion in Bihac at the weekend.

She held a news conference at UNHCR headquarters here in Zagreb that aid workers were extremely frustrated at not being able to deliver aid to more than 180,000 civilians trapped in the enclave, nominally a UN safe haven.

"The last distribution of food for the population took place in June and all we had in emergency stocks has been delivered," she said.

In recent days, with nothing to deliver, she said that her role was "to be with the people and to serve as their link with outside world."

Bihac has been reeling since last month under a sustained counter-offensive by the Bosnian Serbs.

The Serbs are backed by Croatian Serbs from their self-declared republic of Krajina in eastern Croatia and by rebel Moslem leader Fikret Abdic, who was ousted from his fiefdom of Velika Kladusa in the north of the enclave by the Bosnian 5th Army Corps three months ago.

Abdic: Refugees May Return

LD0512181594 Belgrade TANJUG Domestic Service in
Serbo-Croatian 1609 GMT 5 Dec 94

[FBIS Translated Excerpt] Velika Kladusa, 5 Dec (TANJUG)—Fikret Abdic, president of the autonomous province of western Bosnia [APWB], said today he was satisfied because conditions had been created for the return of Muslim refugees.

"I am pleased to inform you that conditions have been created for the return of refugees from Turanj and Batnoga centers [in Krajina] to western Bosnia," he said at a news conference in Velika Kladusa today. [passage omitted]

"When western Bosnia is completely liberated we will demilitarize the province, we will have our own police, army, and of course our own economy," he said.

Abdic said the declaration signed between the Srpska republic and the APWB was a comprehensive solution and that the international community was now offering it for the Bihac region.

Speaking about the military situation Abdic said that the plan for the liberation of western Bosnia was being entirely implemented and that it was carried out gradually to avoid destruction and unnecessary casualties.

"This will save our people because we need them alive. We do not want them to die for the sake of Izetbegovic, Ganic, and Silajdzic."

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Serbs Continue Firing Heavy Weapons in Sarajevo

AU0512210094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 5 Dec 94

[FBIS Translated Excerpt] The [Serbian] aggressor continues to use prohibited heavy weapons within the Sarajevo exclusion zone. This afternoon they fired several artillery shells from Nedzarici [western Sarajevo suburb] at Dobrinja, while small arms fire was reported from the Jewish Cemetery in the Marijin Dvor area [of central Sarajevo]. Using snipers and rifle grenades, the aggressor shelled Butmir and Donji Kotorac, and [name indistinct] at Hrasnica and Lasica. The Mt. Igman road continues to be exposed to relentless antiaircraft fire. The aggressor fired four 120-mm shells from Pavlovici at the Ocevlje region and six 82-mm shells at Zenik. Guns from Sokino Brdo pounded Salkanov Han, while a howitzer from Karasnica targeted Slivno and our positions on Mt. Cemer.

On the Visoko front, in the region of Celine, the enemy, in addition to small arms, is also using portable rocket launchers and mortars. They also fired two 12-mm mortar shells at Goretine. Increasing enemy movement and regrouping of enemy manpower has been reported from the direction of Ilijas toward Ljesevo and Cekrcici.

On the Olovo front, the aggressor fired 82-mm mortar shells at our defense in Komic, Kozlovac, and Kotlina. The enemy from his strongholds in the region of Dusevine and Krivajevici sporadically used 82-mm and 120-mm mortars and a Bofors gun from Orlov Krs targeted the region of Kucajevice. Aggressor howitzers from the region of Plana and 120-mm mortars from Krusevo targeted the village of Dolovi, the 1st Corps Information Service reports.

A general alert has been in force in Tuzla since 1650. The chetniks from Mt. Majevisa used a self-propelled anti-aircraft gun to target the central Tuzla area and fired two shells at the zone that is supposed to be under UN protection. There were no casualties, Salih Brkic reports. [passage omitted]

Today the Serbian aggressor fired 120-mm artillery shells at Zenica. One civilian was injured, the 3d Corps Press Center reports.

In Gorazde, another designated UN safe area, the chetniks today severely wounded one civilian in the district of Hrenovica. Throughout the day, Hrenovica came under fierce aggressor mortar and antiaircraft gunfire. The inhabitants of the Vitkovici district were exposed to fierce chetnik sniper fire and M-84 machine guns. The situation was similar in Obarak and Lozje. The defense lines of the brave Gorazde defenders today were again targeted by the chetniks, particularly from the direction of Rogatica, Foca, and Pale. Using antiaircraft guns and small arms, the chetniks from Poljugovina targeted the Gorazde-Pothranjen route, Enes Musovic reports.

On the free Zvornik territory today, the aggressor used tanks and hill guns to fire on the villages of Vitinica and Kovacevici. Our defenders' positions on this front were targeted by the aggressor's recoilless guns. Our reconnaissance units report aggressor men and equipment regrouping on the southern part of the front. All the defense lines are strong and stable, reports Nijaz Banjanovic from the 206th Zvornik Chivalrous Brigade.

In the 4th Corps theater of operations, the aggressor used antiaircraft and small arms to shell the northern part of the front, that is, the Bjelimir-Zupa region, reports the 4th Corps Information Service. [passage omitted]

Food Convoys Turned Back

AU0612103994 Paris AFP in English 0935 GMT 6 Dec 94

[FBIS Transcribed Text] Sarajevo, Dec 6 (AFP)—Two empty food convoys which left Sarajevo early Tuesday for the Adriatic coast to restock were turned back at the first Serb checkpoint out of the city, Kris Janowski for the UN High Commissioner for Refugees said.

The convoys, which had been held up at Sarajevo airport for several days, were turned back at the suburb of Ilidza, he said.

Two UNHCR convoys left Belgrade early Tuesday and were heading for the eastern Bosnian enclaves, he added. It would not be known until later in the day whether they would be allowed through by Bosnian Serb authorities.

Bosnian Serb leader Radovan Karadzic, responding to a UN accusation that he was using food as a weapon of war, said Monday that humanitarian convoys would be allowed to resume Tuesday under a Serb guarantee.

He said the lack of movement of convoys had been caused by a UNHCR decision to stop the convoys on security grounds.

Janowski confirmed that the convoys had been stopped on security grounds "after the Serbs took hundreds of peacekeepers hostage. We didn't want our men hanging around playing football."

Bosnian Serbs are still holding almost 350 peacekeepers and UN personnel at various points on their territory. The Serb actions were in response to allied airstrikes last month, he added.

The humanitarian situation in several enclaves is critical, notably in Bihac, where the civilian population has received no humanitarian supplies for six months.

Serb Army Officials Cited on Bosanska Krupa

LD0512123594 Belgrade TANJUG in English 1159 GMT 5 Dec 94

["Pool" item]

[FBIS Translated Text] Belgrade, Dec 5 (TANJUG)—Bosnian Serb units have pushed back Muslim forces from the left bank of the Una River near the town of Krupa in northwestern Bosnia, the Bosnian Serb news agency SRNA said.

SRNA said Bosnian Serb Army Chief of Staff Gen. Manojlo Milovanovic said Sunday evening the target of the Serb forces was to destroy the Sarajevo Government's Muslim Army 5th Corps.

"We did not want to destroy that part of Krupa, so we circled it by passing through the surrounding hills," Gen. Milovanovic said in a statement to the Bosnian Serb television.

Gen. Milovanovic said Bosnian Serb army units on the fronts near Krupa and Bihac, also in northwestern Bosnia, managed to crush Muslim units, which no longer have "the possibility to maneuver either along the depth or the width of the front."

SRNA Sunday quoted a statement by Bosnian Serb army officer Nikola Radovanovic, but did not give his rank or function, who said "the 5th Corps has been beaten, but not yet destroyed."

Radovanovic said "extreme terrorist groups (of the 5th Corps) called Hasve, Faraoni and Crne Ptice no longer exist."

"Bosnian Serb fighters have decimated all the brigades of the 5th Corps," he said.

The 5th Corps is the strongest formation of the Sarajevo government's Muslim Army. The formation had about 25,000 troops when it started an offensive from the allegedly U.N.-Protected Area of Bihac on Oct. 19, according to Serb figures.

In this offensive, the 5th Corps had at one point seized about 250 sq km of Bosnian Serb territory in northwestern Bosnia. This triggered an exodus of about 11,500 Bosnian Serbs, according to UNHCR figures released in Geneva.

Bosnian Serbs in early November launched a counter-offensive and after three weeks managed to retake all their territories in the region of Krupa and Bihac.

SRNA said Bosnian Croat units fired 20 artillery shells of large calibre from the town of Livno at the nearby Bosnian Serb town of Glamoc on Sunday evening. SRNA said there were no reports about possible casualties that evening.

Joint units of the Republic of Croatia and Bosnian Croats on Wednesday began an offensive on southwestern parts of the Srpska republic. They focused on the regions around the towns of Grahovo and [passage indistinct] Bosnian Serb Army command said on Thursday that two units of the Croatian Army were

taking part in the offensive [words indistinct]—the 126th Brigade of Sinj and the 4th Guards Brigade of Split.

Two Croatian Army units also took part in the siege of the town of Kupres, 150 km west of Sarajevo, in late October. The town of Kupres was controlled by Serbs, who are a majority in this municipality, since the very beginning of the civil war in Bosnia.

Serb Forces Regain Lost Positions Near Dobo

LD0512180894 Sarajevo Radio Republike Srpske Program for Abroad in Serbo-Croatian 1630 GMT 5 Dec 94

[FBIS Translated Excerpt] In a strong counteroffensive, Bosnian Serb fighters managed to regain part of the temporarily occupied territory in the Teslic sector of the front. Svetlana Kuzmanovic and Zeljka Tomic have the report.

[Kuzmanovic] According to the latest statement issued by the Information Service of the 1st Krajina Corps of the Srpska republic army, Serb fighters have scored fresh victories in the fighting in the Podjezerja area in the southern sector of the Teslic front. In a swift and well-organized action, members of the Serb army managed to storm and retake previously lost positions in Veliki and Mali Kapak, Jezeracki Pribislav and Jasenovacka Ravan. Serb positions have been moved by some 5 km in the direction of Podjezerja, a Serb village recently occupied by Muslim forces.

Serb fighters seized several 82-mm and 102-mm mortars, a large quantity of ammunition of all calibers, shoulder launchers, antitank guns, bazookas, hand grenades, and some logistical equipment. The confiscated ammunition was manufactured in the Islamic countries, which again attests to the fact that the embargo on arms deliveries to the Muslims is nonexistent.

The enemy suffered considerable losses in manpower, especially in the ranks of the 314th Muslim Brigade and the 3d Corps of the so-called Bosnia-Herzegovina Army. [passage omitted]

Serbs Report Muslim Attack on Vozuca Repelled

LD0512232194 Belgrade TANJUG in English 2254 GMT 5 Dec 94

["Pool" item]

[FBIS Transcribed Text] Belgrade, Dec. 5 (TANJUG)—Bosnian Serb forces on Monday repelled a Muslim attack on the Vozuca front, central Bosnia, Bosnian Serb Army sources said.

The Bosnian Serb News Agency SRNA quoted the Army sources as saying Bosnian Serb forces had counterattacked, advancing their lines several kilometers and inflicting on Muslim troops considerable losses in personnel.

SRNA said Bosnian Serbs had captured large quantities of ammunition and arms in the counterattack.

SRNA also said Muslim troops in the Sava River valley in northern Bosnia and on the Mt. Majevisa front, northeastern Bosnia, had opened small arms fire on Bosnian Serb positions and civilian targets.

SRNA said Bosnian Serb positions at the Bosnian Croat-held town of Orasje, northeastern Bosnia, had come under Bosnian Croat small arms fire.

Troops of the regular Croatian Army have been deployed in Orasje since the outbreak of the civil war in Bosnia.

5th Corps: Serbs Pushed Back 'on All Fronts'

AU0512171094 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1400 GMT 5 Dec 94

[Report by Nada al-Isa from Zagreb]

[FBIS Translated Text] General Atif Dudakovic, commander of the Bosnia-Herzegovina Army 5th Corps, says that the explanation for the present offensive is a simple one. The latest successes have seen the aggressor pushed back on all fronts, while the 5th Corps defense lines are becoming increasingly strong, which is why the present fierce attacks, shelling, bombardments, and the use of chemical agents have to be viewed as revenge for defeat.

The aggressor's present offensive, code-named Jutro [Morning], is actually a continuation of the defunct Breza '94 chetnik offensive that was halted back in September. Nevertheless, despite attacks with all types of weaponry, the implementation of the aggressor's plan—the capture of Bihac and the annihilation of the 5th Corps—has been halted. The 5th Corps stresses that the defense lines remain strong even though the aggressor has used all the weapons at his disposal—aircraft, artillery, tanks, armored vehicles, an armored train, and so forth.

Chemical agents were last night and today dropped on the Grmisko-Srbijanski plateau and Grabez, which is further proof of the aggressor's inability to capture significant points on the ground. At the moment, almost every settlement in the Bihac region is being shelled from the Serbian autonomous region of Krajina. The aggression is a result of the recent Karadzic-Martic agreement in Prijedor.

But the 5th Corps is thwarting the realization of the plan and the agreement with their military successes, although it is clear that the aggression will continue, as again today—as has been the case for days, even months—fresh aggressor forces are massing along the border with Croatia. In the past few days, this has been particularly pronounced on the Zegar-Bitoka-Debeljaca Hill route. However, the 5th Corps, and particularly its commander, claims: I am an optimist, as are all the 5th Corps troops, as they confirm daily in conversations with their commander. That is also why the aggressor's

attacks are being repelled and the defense lines are becoming increasingly strong.

Report on Russian Mercenaries, Porous Blockade

95BA0029B Ljubljana DELO in Slovene 25 Oct 94 p 9

[Article by Zdravko Latal: "To Death for 100-200 German Marks"]

[FBIS Translated Text] *They knew in Sarajevo that Russian mercenaries were fighting for Karadzic, but they did not know that they were also dying for him; reportedly there are approximately 4,000 of them, and as a rule they are members of special units, artillerymen, tank drivers, and paratroopers.*

From our associate.

Sarajevo, 24 Oct—Official Sarajevo has completely different information about the closure of the Yugoslav border with Bosnia than the UN Security Council does. The border on the Drina has as many holes as Swiss cheese. Every day volunteers, mercenaries, professional Yugoslav soldiers, fuel, and weapons cross the river. UN and U.S. representatives also doubt, probably not without reason, that Milosevic really has hermetically shut off the valves of outside assistance to Karadzic. At a 21 October session of the government of the Bosnia and Herzegovina Federation and Republic, data were announced for the first time on the participation of Russian volunteers and mercenaries, who are fighting on the side of the Bosnian Serbs. In recent days, hundreds of them are said to have crossed the Drina. It is believed that approximately 4,000 Russians are fighting at the front.

Prime Minister Dr. Haris Silajdzic informed the government and the public that these are mostly members of special units, commandos, paratroopers, tank drivers, artillerymen, and also ordinary soldiers—cannon fodder. In the recent fierce battles on Cemersko mountain, the corpses of three Russians were left on the Bosnian side; one of them was a member of the special Russian unit "White Wolf."

Silajdzic does not know what should be done with the dead Russians, and consequently he instructed representatives of the Foreign Ministry to send their Russian colleagues a special note, saying that the Russians should prevent their citizens from coming to Bosnia, where they were dying for 100 to 200 German marks. Along with the note, as early as Saturday they also sent the Russians information on the dead soldiers, and proposed that they pick up their compatriots' bodies. The Bosnian prime minister said that there were Russian mercenaries at Grbavica, Trebevic, and Nedzarici. That front line is mostly monitored by the Russian members of international peacekeeping units. In the Sarajevo area alone there is about a battalion of Russian mercenaries.

Since the first half of this year, the number of Russians in the army of the republic of Srpska has been increasingly

larger, since there are no longer enough domestic soldiers. According to the data, the Russians are sent where the battles are fiercest. If they die, no one gets their pay. They have participated in battles around Mostar, Doboj, Teslic, and Cemersko and Vlasic. The reception centers where they train Russians and mercenaries from other countries, Ukraine, Romania, and some from Greece, are in Petrovaradin, Novi Sad, the Zorka factory in Sabac, Virgin Most, Batajnica, and the military resort in Tara. In Bosnia, such centers exist in Sokolac, Zvornik, and Bratunac. Their arrival is organized by special intelligence services, and also by the Republic of Srpska offices in Russia and Serbia. Usually they take away from the mercenaries all personal documents, which they then replace with documents from the former SFRY [Socialist Federal Republic of Yugoslavia] and documents from fallen Serbian soldiers. They thus come across the border unmonitored, often even with their own Russian documents. Even the three who fell at Cemersko had Russian documents. It is unknown how many Russians have lost their lives in this war, but the number is probably not a small one.

It is not only Russians who are crossing the "strictly monitored" border on the Drina, where three new pontoon bridges were recently set up. According to confidential and incredibly accurate information from Sarajevo officers and the Army of Bosnia and Herzegovina, entire convoys of weapons, ammunition, and troops are also crossing the border. The Bosnian Army has learned how many weapons entered Bosnia in October, and even learned that the Serbs are preparing a strong attack against Konjic, in which they are to take the city. The attack plan was prepared by General Perisic himself, who is extremely familiar with that area. Units from Nis, Kraljevo, Belgrade, and Podgorica have already been sent toward eastern Herzegovina. The Bosnian Serbs have been "loaned" eight high-ranking officers. Tanks and armored vehicles have been brought from Kraljevo across the Drina. On 12 October, 300 specially trained Yugoslav Army soldiers, who were to penetrate behind the Bosnian army, were sent into Bosnia from Serbia. On the same day, Abdic and Arkan and other influential people from the republic of Serbian Krajina and the republic of Srpska met at Petrova Gora. They agreed on a new offensive in the Bihac area. They were to send to that area 700 volunteers from Serbia and mercenaries, three armored vehicles, four tanks, three cannons, 48 surface-to-surface missiles, and 60 Orkan missiles, and 600 soldiers, bringing with them strong military equipment, were also to come from Vukovar.

Here is some more information on border crossings at the beginning of October. A column of military vehicles crossed from Serbia toward Herzegovina on 4 October near Visegrad. Near Raca, on 6 October at about 0600, five trucks with shells and ammunition crossed the border. On the same day, eight trucks of ammunition left Loznica for Zvornik. They also contained two SAM-2 missiles, which had been stored in the warehouse of the Ugljevik thermoelectric power plant. Also stored at that

thermoelectric power plant are the British-produced antiaircraft missiles that the Bosnian Serbs have been received recently. On the following day, six tanks and seven armored vehicles left Loznica for Bosnia, heading for Olovo, where Bosnian Army units were fighting at that time. On 9 October, between 0800 and 0900, six helicopters carrying soldiers and equipment also left Zlatibor for Bosnia. Just a day earlier, near Raca, eight tanks entered Bosnia to reinforce units in Doboj and Teslic, and on the same day, six tanks and 450 soldiers crossed over the pontoon bridge near Janja, heading for Olovo. Those soldiers were mercenaries from Russia, Romania, and Greece, and a special unit of 80 Yugoslav Army soldiers.

This is only a brief report on the October illegal crossings of the border between the Federal Republic of Yugoslavia and Bosnia and Herzegovina. At first glance it may seem that the border is completely open. All of that assistance, however, is obviously not enough for Karadzic's army to fight on the extensive Bosnian front, since the state is facing a shortage of fuel and ammunition. The ammunition and shells captured in the recent successful operations by Bosnian Army soldiers were manufactured last year and this year. During the recent battles at Treskavica, the Bosnian Army, through its communications system, could hear constant reports from Serbian officers that they were short of ammunition at the front lines. They are using enormous amounts of infantry and artillery ammunition in this war. At Cemersko, the Serbian artillery used the well-known recipe from the battles for the hills near Sarajevo, and "ploughed up" every square meter of territory. Bosnian and other intelligence services could hear and see for themselves that the observers at the Drina were doing their jobs extremely superficially and only formally. According to some information, during the first days of the closure they thoroughly inspected every truck, then they superficially inspected only the rear part of the vehicles, and now they are not even stopping trucks at the official border crossings. The observers do not even know what is crossing the pontoon bridges.

Of course, we can also doubt this information. The fact is, however, that the battles have flared up recently, and thousands of shells and even more infantry ammunition are flying from one side to the other on all the battlefields every day; neither of the opposing sides could have produced it for itself, and has instead obtained it from abroad. At the end of last week, Karadzic publicly stated in Banja Luka that he would punish the Muslims with long-range artillery shells, which he would aim at towns in central and northern Bosnia. This year his units had to withdraw so far from Zenica that it is almost impossible for them to attack that industrial center with conventional artillery weapons. The Serbs can only attack Zenica with modern weapons, medium-range missiles, which Karadzic's army has not had to date. During a visit to Zenica, Bosnian President Izetbegovic spoke with defense industry representatives. According to unverified information, the Bosnian Army also has

weapons with which it could respond, even with an attack against Belgrade. Such weapons, however, need rocket fuel, which the Bosnians do not have. The ban on importing weapons is obviously being "respected" on both sides, just as Milosevic "closed" the border on the Drina.

Serbian Orthodox Church Synod in Banja Luka
95BA0043B Belgrade VREME in Serbo-Croatian
7 Nov 94 pp 16-17

[Article by D.G.: "Extraordinary Remedy"]

[FBIS Translated Text] Departing from tradition, the Synod of the Serbian Orthodox Church (SPC) is meeting outside the borders of the parent state. This occurred on Tuesday, 1 November, when an extraordinary session of the Holy Episcopal Synod of the SPC began in Banja Luka (by tradition, it is regularly held in May), devoted above all to the situation that has come about because the FRY [Federal Republic of Yugoslavia] has blockaded the Srpska republic.

In front of the Holy Trinity Cathedral in Banja Luka, Patriarch Pavle was welcomed by Radovan Karadzic, president of the Srpska republic, and Biljana Plavsic, its vice president. So, why in Banja Luka? The answer can be found in the statement which Patriarch Pavle made in crossing the firmly established secular (obviously not spiritual) border between Serbian territories on the Pavlovic Bridge between Bogatic on that side and Bjeljina on this side of the Drina. In a voice that was captivating in its mildness, Patriarch Pavle said: "We should be one both in our face and our blood and after the example of our ancestors. This remains before us, and this will occur after us, but let us try always to be one in what is truly the truth and justice, what is holy and honorable and acceptable to God. Let us not, God, be one and compact in what is evil and trouble. We must preserve ourselves from allowing the prevalence among us of anything inhuman that can bring no good either to ourselves or to our people."

The choice of time and place for holding the synod confirms once again the commitment of the Episcopal Conference of the SPC in August, when the bishops called upon the Serbian statesmen to unify the people. In the background of that demand, which indeed constituted the official proclamation of the commitment of the top political and government leadership of the Srpska republic, one hears the words of Radovan Karadzic, who at the reception given in honor of the priests of the SPC had this to say about the importance of holding the synod in Banja Luka: "The Serbian church has never abandoned the Serbian people and has never accepted any split. We are too small a people and surrounded by too many enemies to accept a split. The Serbs must maintain unity, and the SPC is the best guardian of that unity, as it has shown once again this time. As for the synod itself and its being held in Banja Luka, I consider this a historic moment, one that has much greater

importance than it seems to us at this moment, and that only future events will show how important it was for the patriarch and the Episcopal Synod to come here to Banja Luka and to the Srpska republic."

Patriarch Pavle said in his message delivered before the synod began that our church and people today "face tasks in the misfortunes of the civil and interethnic war because of moral, political, and all other troubles which the war has brought. They confront our consciences with tasks requiring the greatest effort."

"The tragedy of the position of our people and of our church in the world is that they have been represented as criminals and those solely responsible for the war in the former Yugoslavia, which supposedly they did in order to maintain an expanded Serbia. In actuality, this is a civil war, it came about and has been waged from the positions of certain republics which wanted to destroy Yugoslavia and leave it, but at the same time maintaining the borders of those republics which were created and defined by the AVNOJ [Antifascist Council of the National Liberation of Yugoslavia].

"War is a great misfortune, and civil war is a misfortune beyond all misfortunes. While in war an enemy attacks from outside, in a civil war neighbors, fellow citizens, and relatives become the enemy. That is why, as accurately concluded by a man of goodwill who came to Bosnia and looked at the reality, that in it the Serbs are defenders of their homes and attackers, the Muslims are both defenders and attackers, and so are the Croats.

"We have problems and troubles on all sides. It makes no sense at this point for anyone to blame anyone else. We must commit all our best energies to halting the conflicts and warfare, to restoring peace, and we must make it possible through negotiations, as the only method worthy of men, to solve the problems, in accordance with divine and human justice, for the Serbs, the Croats, and the Muslims," Patriarch Pavle said.

The patriarch called upon "all men of goodwill and international factors to use all their authority" and "all morally justified means" to bring an end to the horrors of war. "With more reason and goodwill on the part of all three belligerents, but also on the part of the responsible factors of Europe and America, if we had realized that evil would not bring good, the problems and troubles would not have occurred."

All 34 metropolitans and bishops, a third of them in countries outside the former Yugoslavia, were summoned to the synod. As for information relative to the proceedings of the synod, the journalists were given only the names of the bishops who were absent. They are: Bishop Sava of Sumadija, Bishop Hristifor of America, Bishop Luka of New Zealand, and Bishop Jovan of West America [as published]. It is expected that the synod will hold two sessions on 5 November and will be closed to the public.

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From what we have learned in circles close to the SPC, a great many issues in urgent need of examination have accumulated since the regular meeting of the synod in late May. The church will primarily examine the consequences of the sanctions that Belgrade has instituted against the Bosnian Serbs. In the opinion of the church, aside from making life very difficult for Orthodox believers and the entire Serbian people in that area, they are also creating considerable difficulties for the patriarchate in maintaining contacts with the episcopates in Bosnia-Herzegovina. It is making it difficult for bishops on the other side of the Drina, quite often making it impossible for them to come to Yugoslavia. The bishops will also take up the reactions to the position of the church related to the plan of the Contact Group for Bosnia-Herzegovina. Those reactions by the government in Serbia, certain political parties, and also certain churches and church organizations have been very harsh. The bishops from the areas affected by war will at the same time submit reports on the situation in their episcopates.

The synod is also expected to concern itself intensively with the so-called "Macedonian split." The regular synod, held in May, set a deadline for finding a canonically acceptable solution. The most recent contact between Belgrade and Skopje in late October, during the visit of Macedonian [The Former Yugoslav Republic of Macedonia] Metropolitan Petar to the patriarchate, did not yield any results at all.

At the request of Metropolitan Jovan (Pavlovic) of Zagreb-Ljubljana, the synod will take up relations between local Orthodox churches in the light of certain

tendencies of the Istanbul Patriarchate to infringe upon the autocephalic status of the other churches. This has been particularly evident in the session of top representatives of the Orthodox churches in Chamesey, Switzerland, late last year. Now, for the first time, the synod will make a detailed report in that connection. The bishops will also examine relations with the authorities in Serbia and Montenegro, who in the course of recent months, as seen by high church dignitaries, have experienced a certain setback.

As for the answers to the most important questions about relations between church and state, the issue of denationalization, of religious education, access of the priests to the garrisons, and the return of the Seminary to Belgrade University, no progress has been made recently.

Metropolitan Amfilohije answered the question of why the synod was being held at this time and why it was being held in the Srpska republic: "Extraordinary situations require extraordinary remedies. It is natural for the synod to be in the Srpska republic, because the church wants to show in that way its concern for the people in these areas, because the church cannot be without the people and cannot be against the people. The crucifixion of Banja Luka and the entire Krajina, what today we call the Srpska republic and the Serbian republic Krajina, did not begin yesterday. The crucified space, the wounded space, has been wounded for 50 years now, and it is natural that the church should be here, to provide encouragement and consolation, and to issue an appeal for brotherhood. The church that serves crucified Christ and His teaching is there where the people have been crucified."

Parliamentary Official Views Divisions in Bosnia
95BA0030A Zagreb VJESNIK in Serbo-Croatian
2 Nov 94 pp 6-7

[Interview with Damir Zoric, vice chairman of Croatian House of Zupanijas, by Branko Podgornik; place and date not given: "Walls of Sorrow Have Divided Bosnia-Herzegovina"]

[FBIS Translated Text] The vice chairman of the Assembly House of Zupanijas, Damir Zoric, who is at the same time a member of the Small Council of the Croatian Social-Liberal Party, recently returned from a tour of Bosnia-Herzegovina with a group of deputies from the Assembly House of Zupanijas. The delegation was in Nova Bila at the laying of the cornerstone for the "Fra Mato Nikolic" Croat Hospital, and it also visited Zenica, Kiseljak, the Bosniak enclave of Rotilj, the village of Dastansko, Vares, Vitez, Stari Vitez, Guca Gora, Travnik, Bugojno, Mostar, Medjugorje, and other places. Besides Zoric, the other members of the delegation were Dr. Slobodan Lang, Dr. Zvonimir Bartolic, Dr. Zeljko Stanfel, Ivan Lackovic Croatia, Ante Jozo Ramic, Milan Galic, and Ivan Skaric.

[Podgornik] What were your impressions from the tour of Bosnia-Herzegovina?

[Zoric] The impressions were very powerful. I have never been indifferent to the events in Bosnia-Herzegovina. I think that I am among the better-informed people concerning those events, but nevertheless I must admit that until this trip I had a number of stereotypical beliefs about Bosnia-Herzegovina, especially about the position of the Croats. In one week of intensive touring of many locations in central Bosnia I learned a great deal, although I must admit that an effective political strategy cannot be developed from one humanitarian mission.

A lasting presence and interest is necessary in order to be able to take successful action. I am all the more surprised and concerned by some of our people who disseminate all sorts of political beliefs throughout Croatia while they have scarcely been in Bosnia long enough to promote their actions concerning a land in which they had never been before.

Croats in Bosnia-Herzegovina Are Not Diaspora

[Podgornik] What sort of stereotypes or prejudices did you have about Bosnia-Herzegovina?

[Zoric] Croats from Bosnia-Herzegovina regard us as strict teachers slapping the wrists of unruly children. They are not a diaspora, nor can any power force them to regard themselves as Croats who are different from their compatriots who live elsewhere. They are an integral part of the Croat national entity and they live on their own land, which is a constituent part of Bosnia-Herzegovina.

We, with the best intentions, talk about how they must hold on and continue to coexist, and we tell them what conditions they must satisfy in order to succeed in that. We approach them as if they were machines that can be programmed, as if they could significantly alter their attributes through some political act.

We forget that it is the Croats from Bosnia-Herzegovina who must live there, not other Croats and other kinds of Croats. Accordingly, the first basic condition for the success of Croat policy in Bosnia-Herzegovina and toward Bosnia-Herzegovina is to listen and adapt to the people whose fate is at stake. In Bosnia-Herzegovina we have only those Croats whom we have, such as they are, but they are the only Croats who must and can continue their lives there.

Of course, under the condition that we help them to do so. The Croats from Bosnia-Herzegovina are completely right when they ask us from Croatia to first back them up and only then talk to their state partners.

[Podgornik] What conclusions occur to you based on the talks that you and your colleagues had all over Bosnia-Herzegovina with leading people from the Federation, deputies in the Assembly in Sarajevo, local officials, and ordinary people?

[Zoric] Considering their position and their needs, especially their possibilities or, to be more precise, their impossibilities, it is clear that Croatian policy toward Bosnia-Herzegovina and Croat policy in Bosnia-Herzegovina must be founded on a single, unified national strategy. Anything else will result in the ruin of the Croats there; indeed, all traces of our historic presence in Bosnia-Herzegovina will quickly disappear from the face of the earth.

Thus, this is a fateful issue and I can understand that it is not viewed in Croatia with indifference, and that there are even various approaches and tensions. However, I must point out that the very fact that there are tensions, regardless of who is right, results in not only disunity in Croatia, but also divisions among Croats in Bosnia-Herzegovina, and by necessity that leads to their disappearance from that land, to which they have a full historic and ethnic right.

Beginning the Return

[Podgornik] Where should these tensions be resolved, in Sarajevo, Siroki Brijeg, or Zagreb?

[Zoric] The tensions should be resolved in all places where they appear and on all levels where they recur. Wherever and about whatever tensions arise, they cause new problems, and it is very often impossible to determine when something is the consequence and when it is the cause.

Thus, it is necessary that everyone do his own job responsibly in his own place. Everyone is invited to

contribute to the common good and everyone is obligated to make that contribution. If they are not ready to do so, then they should at least remain silent, because they are perplexing and impeding the actions of those who, on both sides, wish and want to do something for the good of peace and progress in Bosnia-Herzegovina.

In our country, everyone tries to impose his own politics. I do not know how the Croats, but also the Bosniaks and others in Bosnia-Herzegovina, can be helped if five national and cultural policies are being pursued toward them.

There are nearly half as many Croats in Bosnia-Herzegovina today as there were before the beginning of the aggression against Bosnia-Herzegovina. It is unclear to me for whom we think we are pursuing policy if the Croats in Bosnia-Herzegovina are disappearing. It is no longer worthwhile to bicker over burned-out and deserted homes; instead, we must talk and cooperate to see to it that no more of this happens, that the departures are halted, and that people begin to return and rebuild.

[Podgornik] The unified national program that you mentioned has not been clearly defined, either in the HDZ [Croatian Democratic Community] or the opposition parties.

[Zoric] That is true, unfortunately. However, it is much more beneficial to us to work on an agreement rather than discussing why there is no agreement and who is to blame for that. Not only parties and politics are called upon to participate in this. An agreement and a politically and nationally mobile position should be the result of the overall national potential of Croats.

Human Torment Is Omnipresent

[Podgornik] Is there any chance that implementation of the Washington agreement will continue?

[Zoric] There is, although the circumstances are complex and difficult. There are many fears and prejudices, and thus obstacles as well, the most difficult of which are the people's personal, emotional difficulties. Bosnia-Herzegovina is divided by walls of sorrow. Wherever you go, even places where the war has not run its elementary destructive course but only the tragic consequences and human victims of war have been seen, there is a heavy sense of torment and suffering present among the people.

The front lines of battle have not held back the suffering; rather, human torment is omnipresent in that land. I can conclude—rightly, I think—that the same suffering experienced by the victims is present to a considerable extent even among the butchers of Bosnia-Herzegovina. Great force and much evil has spread among a few people and across little land.

Nevertheless, after everything, today one can already observe the presence of hope for peace and cooperation between Bosniaks and Croats. In various places various people are talking, each in his own fashion, about the

need to preserve peace and consolidate peace. Despite the differences, there is a common desire for peace. The second, particularly important thing is the awareness on both sides that preserving peace is necessary to everyone, and that any other option would be a definitive misfortune to both groups.

It is the very firm conviction of people on both sides everywhere that we went that there will be no opportunity for a new makeup exam. This awareness elicits caution on both sides, and even fear of a wrong move, so that some processes are even moving too slowly. Some think that things could be moving faster, but mostly when it does not affect them personally. It is always easier to be conciliatory on someone else's behalf.

That is why both sides emphasize that demands for additional time to implement what has been agreed to do not also mean abandonment of the agreement. In some situations and places it can be concluded that some deadlines are unreasonably short relative to the size of the problem. It is essential, however, that they see implementation of the agreement as in their own interest. That will allow them to eliminate all the others in their midst who would realize their own personal advantages, hiding because of objective difficulties, on one side or the other.

44,000 Pensions From Mostar

[Podgornik] What are the obstacles to realization of the Washington agreement?

[Zoric] They are institutional. People on both sides can be heard to say that the main obstacle to the establishment of the Federation is authority that is structured and functions on the one side, or rather authority that is not structured and does not act as it should on the other side. Thus, the Federation is like some sort of orphan between the Republic of Bosnia-Herzegovina on the one side and the Croat republic of Herceg-Bosna on the other side. Herceg-Bosna is a structured organism, and regardless of all the charges that can be heard from many quarters, I must say that the people who continue to live there see in it a guarantee for their survival. So much of that has disappeared, is being demolished and is disappearing, that as a human being I can understand the feeling of some sort of security that is nevertheless offered to people.

For example, 44,000 pensions are being paid out from Mostar, received not only by Croats, but by all persons who live in territories protected by the HVO [Croat Defense Council]. Half of the beneficiaries of these pensions—which seem exceptionally small to us, but which are considerable for conditions in Bosnia-Herzegovina and amount to 50 to 60 German marks—are Bosniaks and Serbs. There is also an extensive social welfare system. One must add to this around 130,000 salaries, which are not large, but which are an indicator that the administrative and economic system is nevertheless functioning.

One aggravating factor is the grievous fact that since the signing of the Washington agreement, 25,000 Croats have already left the part of the Federation that is under Bosniak supervision, and that there have been practically no returnees. There are places in central Bosnia where this process is moving along better and where contacts are being established, but there are also places from where it is impossible, for now, to send encouraging news.

Regardless of the justification for fears and criticism on both sides, the momentary standstill can be resolved by clearing up the relationship between the Republic of Bosnia-Herzegovina and the Bosnia-Herzegovina Federation. The majority of the other problems are secondary, and by unraveling this knot they will become inherently less important. They will retain only their local significance, so that it will be possible to solve them on the local level. In this way, local officials are excusing the lack of resolution of problems in their locations by pointing to unsolved problems on a higher level or in other locations. In public opinion on both sides, such excuses, fed by an emotional charge, are still justified. But that cannot be long-term policy.

Encouraging Signs From Kiseljak, Busovaca...

[Podgornik] Is the opposition to the Washington agreement on the Croatian and Bosniak side such that it could reverse that process?

[Zoric] No. I think that the peace process cannot be halted. It can be slowed down—for this or that reason, by one side or the other, and we cannot forget the third side either—but this peace process, begun through the Washington agreement and continued through the Vienna accords and the Zagreb agreements, is moving along.

Perhaps a somewhat false impression is being created, even on my part, because there is often talk of negative examples. Here, however, negativity is regarded as a problem that must be eliminated, and not as a reason to abandon the peace process. Nevertheless, we lack many more objective surveys of the situation. In that case, there would be much more talk of positive examples.

Why would Croats in Kiseljak, which cannot be reached easily, work on reviving the economy, even founding a central Bosnian bank, if they do not intend to stay and live there, and thus if they have no intention of implementing the Washington agreement? Why are Croats in Busovaca looking for partners to revive production like those in Croatia if they have no intention of living in Busovaca?

Croats in the mountain village of Dastansko, above Vitez, with around 1,500 souls, are seeking free passage for their bus line through Vares to other Croat areas not in order to transport the dead, but rather to stimulate life. In Travnik and elsewhere around Bosnia, Croats are seeking our help so that they can survive and remain there, equal to and at peace with their neighbors.

The Croatian public is focusing its attention on the construction of the hospital in Nova Bila. Would the nation really wish for this hospital in order that it be yet another of our historical reminders of places where there are no longer any of us? The hospital will be proof that Croats from Lasvanska Valley are not forgotten and are not alone. It will be their guarantee that life will be possible where they belong. In Bugojno, the monks and people around them are performing a real miracle, even though they live in extreme uncertainty. They are doing this because they believe that they are ensuring the nation's future. This is the best proof of the Croat desire to see the Washington agreement become a reality and to consolidate peace. If they had other intentions, would they really invest in a land that they intend to leave?

I can say that opposition on both sides is particular and that it is based on emotions rather than on objective political judgments. It was precisely in our wish to encourage positive examples that we joined Dr. Lang's humanitarian mission and set out on the White Road, guided by our desire to encourage peace in keeping with our possibilities. No matter how minor our possibilities, even the slightest move forward is greater than none at all or a step backward. There are still many places that must be travelled to and many people who must be offered a hand, listened to, and helped. If I had thought that this first trip was all there was to it, I would not have gone along.

[Podgornik] What is the common assessment of you and your colleagues from the trip to Bosnia-Herzegovina?

[Zoric] The common assessment is that the presence of people from Croatia must be increased wherever there are Croats living in Bosnia-Herzegovina. They are open to meetings and talks with everyone from Croatia, even with those with whom they do not share the same opinions. They emphasize especially the need for a strong cultural and educational presence from Croatia.

Part of this mission was carried out by the main secretary of the Matica Hrvatska, Kresimir Mikolcic, and the secretary for local chapters, Stjepan Sucic, who accompanied us on the trip. They took necessary books to Croat children in central Bosnia and wanted to help their local chapters there and create the preconditions for founding new ones. More important than that, I think, is that they saw the need and expressed the desire for the Matica to be more actively involved in helping Croats in Bosnia-Herzegovina and building bridges toward the Bosniaks. In that regard, the Matica has a unique tradition among the Croats.

[Box, p 6]

Defending Their Own Rights

[Podgornik] According to some media reports, Milosevic is willing to return all occupied territory to Croatia, but he wants to retain Slavonia and Baranja and gain access

to the sea through Konavle. Can Croatia agree to such territorial losses and compensate for them in Bosnia-Herzegovina?

[Zoric] Croatia need not seek and cannot receive any compensation in Bosnia-Herzegovina. Bosnia-Herzegovina belongs to Croats as well. That which belongs to our nation cannot be given to it in exchange for something else that also belongs to it, but that was forcibly taken away from it. I doubt that one policy by the aggressor over the past few weeks can be a clear departure from two centuries of a conquering mechanism.

I can regard the statements by some European ministers only as extreme cynicism and a complete moral crisis among some protagonists of European policy. Only through our own strength, resolve, and dignity will we defend our rights, and relying on tried and true friends and allies we will attain complete freedom. Both in Croatia and everywhere else where we have a sovereign national right to that.

The softened negotiating position of Greater Serbian policy is not the consequence of a renunciation of two centuries of the conquering mechanism, but rather a need for self-protection by Serbs weakened by the latest Bosniak successes. It is necessary to consider the purposefulness of these negotiations, and thus also their effect on our federal-confederal partners.

[Box, p 7]

Looking to Croatia With Hope

[Podgornik] What is your assessment of the situation in Mostar? After all, you were in both the eastern and the western part of the city, and you also met with Mr. Koschnick.

[Zoric] Unlike the western part, where there are around 7,000 Bosniaks, 3,000 Serbs, and around 3,000 displaced Bosniaks living with around 30,000 Croats, on the eastern bank there are only 53 Croats left from the previous 10,000. However, it must be recognized that a great deal of courage and strength is needed in order to continue living in war-ravaged Mostar. Whatever the criminal Perisic left behind was destroyed in the unfortunate conflict between Croats and Bosniaks. While we were touring that part of old Mostar, because of which we were so eager to go to Mostar, a Bosniak representative from Stoce, incidentally a nephew of the great poet Make Dizdar, said to us, "God, what a stupid thing we did." I think that no one should be afraid of living as neighbors with such a person.

Generally speaking, Croats are managing to hold on wherever they are together and wherever churches are maintained. Their needs are great, and thus our responsibility is too. Whatever has happened and is happening to Croats in Bosnia-Herzegovina, neither Serbs nor Bosniaks will be responsible for their tragic fate. If worse

comes to worst, i.e., if the negative trends are not halted, then the responsibility will rest with us.

Croats from Bosnia-Herzegovina look to Croatia with a great deal of hope. They seek a clear, strategically well-founded, universally recognizable, unified national policy in which there is room for everyone's personal contribution.

Tudjman Seen Relying on 'Repressive' Measures

95BA0028C Split FERAL TRIBUNE in Serbo-Croatian
31 Oct 94 pp 8-9

[Article by Zoran Daskalovic: "The AS Out of Short Sleeves—Left and Right of Tudjman"]

[FBIS Translated Text] *The appearance of the Action of Social Democrats [AS] of Croatia has fulfilled Tudjman's desire from long ago for the Croatian body politic to have both wings, left and right—even though he did everything possible to finish off his former chief rival, Racan's SDP [Party of Democratic Changes]. Regardless of his calculations, however, the AS arose because of favorable conditions—as a reaction to the increasingly more aggressive right wing and the increasingly more difficult social-welfare position of the "broad masses of the people."*

In his ambition to become the Croatian Helmut Kohl, and to have his HDZ [Croatian Democratic Union] become something like the German Democratic Christians, quite a while ago Franjo Tudjman wanted Croatia to gain a strong "left-wing" political party. Even though, while he had one at the time of the first multiparty elections and afterwards, he did a great deal himself to weaken and marginalize what was then his main party rival, Racan's SDP. Today Tudjman, but also Croatia, have social democratic and socialist parties that can scarcely get about 10 percent of the votes in elections, and are more involved with themselves and their leaders and mutual rivalry than with having any noticeable influence upon Croatian political events. The prominent media attention devoted to the recent founding of the AS, whose main purpose is to gather under its auspices most of those with a left-wing orientation before the next elections, is therefore not surprising, perhaps just because it is already becoming monotonous to deal only with the increasingly more intensive breakthrough by right-wing forces in Croatian political life.

It is precisely that breakthrough by the right wing, in conditions that are substantially governed by Tudjman's method of ruling, with his imperial presidential powers, that renders dubious his desire for the organization of a stronger Croatian left wing. After all, he himself dealt uncompromisingly with the Mesic-Manolic left wing of the HDZ. Although during that clash he was primarily motivated by the threat to his position, it is already noticeable that Tudjman, even when he does not need to, is relying more and more upon right-wing forces both within the HDZ and outside it, among the public, but

also within the repressive structures of the state authorities. Furthermore, he himself often encourages them, as he did recently during the teachers' strike, when he was among the first to cast a stone at the trade unions; this then turned into outcries from the right, resulting in demands for a ban on union activity.

Political Violence

Since today's Croatian situation of neither war nor peace in any case favors the flourishing of violent methods of political action, when encouragement of direct action even comes from the very summit of the pyramid of authority, from the economy, especially privatization, through the amoral and larcenous housing and other administration by individual state officials, to pushing the most threatened strata of citizens into increasingly more open mutual conflicts, the room for stronger organization and action by social democracy, as well as other democratic political options, has been substantially reduced, if for no other reason than because of the increasingly more open threats and pressures and the risks that are present, especially in the beginning of that organization and action. For example, even at the inaugural convention of the AS, one of the leaders of the new right wing, who attended it as a guest, did not shrink from a "deadly cold" warning to one of the new party's leaders that he would come to a bad end if he were not a good Croat.

When such incidents and ones similar to them are beginning to happen in connection with individual parts of the state's repressive apparatus, the now already public warnings that fascism can even happen in Croatia tomorrow are no longer so drastically shocking, but in any case they are ominous. The most ominous thing of all is that, admittedly removed from the public eye, there are more and more frequent stories about incidents in which the chief participants are members of certain special military units that are not under the direct command of the Croatian Army's General Staff. A monthly on cultural democracy, ERASMUS, recorded 16 cases of "beatings and other uses of physical violence" in the last 15 weeks. We were told what was going on by a former high-level state official, an opposition member who was also concerned about his own skin and was not willing to expose himself to the danger of physical mistreatment by speaking out in public.

Tension in the "Services"

According to him, within the special unit established to protect President Tudjman and other vital parts of the authorities, a unit under the jurisdiction of Defense Minister Susak and not the Croatian Army's General Staff, special groups are operating, scattered throughout Croatia, which have recently been shifting from a phase of counterintelligence and security work, through various pressures and even mere physical violence, into the area of politics and are settling scores with those who are opposed to the extremist right-wing option. Among the

first to suffer were some employees of similar services under the Ministry of Internal Affairs. He also cited examples. Thus, a former employee of the Zagreb Office for Protection of the Constitutional Order, I.S., was lured to one of the Zagreb cafes, where three people were waiting for him and beat him up badly. Even though his wife is working as an interpreter for President Tudjman, he was fired, instead of being protected and having "his" attackers identified and punished.

With the Right Wing Himself?

D.S., the former chief of the same Office for Protection of the Constitutional Order, has also been subjected for several months to telephone threats, tailing, and announcements of kidnapping or even liquidation, and a month ago, by chance, avoided a beating in the lobby of the building where he lives. The group that was waiting for him in ambush next to the elevator beat up his wife instead of him, and she ended up in the hospital with serious injuries. Even though she also worked for the Ministry of Internal Affairs, the culprits were not found, and she was retired—like her husband, after all. Our interlocutor also claimed that there is more and more tension between certain members of the special military units and the corresponding Interior Ministry unit, and that there has even been a direct clash. Allegedly one such mutual armed clash in Velika Gorica has been hushed up, among other things because there were no casualties. Those conflicts with the special and secret services indicate that the hard-line right wing, after the conflict within the HDZ with the Mesic-Manolic group, has become dominant in them. Cases of similar pressures against individual opposition leaders, however, indicate that there is no intention of leaving it at "establishing order" within the secret and special state services.

When one adds to this the already established practice of the public vilification of everyone and everything that is consistently politically opposed to the authorities, and the absence of any significant left-wing political option in the already substantially narrowed pluralist political range, the democratic milieu in Croatia seems quite impoverished, in spite of the fact that there are about 50 political parties in it, whose programs and political orientations cover the entire spectrum of variants of political activity known in the world. That is also the case with the social democratic part of that spectrum. Even without AS, that part of the political pluralist space has been covered in the past, at least on paper. Both in its program documents, as well as in its promotional campaign, AS has actually not been able to offer anything new compared to what already exists. That is why people were waiting with increased attention to see whether the AS, through its founding, would bring the social democrats a new, more profitable, and more influential public approach, and whether it would launch any new and fresh political faces capable of attracting and uniting most of the now fragmented social democratic politicians and activists, naturally as well as a large number of voters.

Nevertheless, even the AS's inaugural assembly apparently did not bring any significant breakthrough in that direction. For the most part, everything proceeded along the lines of the already normal partisan political marketing, and the new party's leadership included people who were mostly already known.

Their only advantage may be the new environment in the party, which is starting from zero, and that may encourage them to make a more prominent political breakthrough through a desire to prove themselves in those conditions, either in the direction of the expected unification of social democratic forces, or in winning and regaining lost positions among the electorate. They may even be indirectly assisted in this by the increasingly louder activity of the extremist right wing, on one hand by forcing them to close their ranks, and on the other hand, by forcing all the other democratic options, either opposition ones or those within the ruling HDZ, to make a contribution themselves through cooperation and support to having Croatia strengthen the left-wing side of the party spectrum again. Perhaps even the republic president will do something to avoid being left along, eye to eye, with the extremist right wing, because it is increasingly more evident that in the end even he will not be comfortable in its embrace.

Goals of New Social Democratic Party

95BA0028B Split FERAL TRIBUNE in Serbo-Croatian
31 Oct 94 p 8

[Unattributed interview with Dr. Ivan Siber, vice president of Action of Social-Democrats; place and date not given: "We Do Not Want to Tag Along"]

[FBIS Translated Text] *The vital difference between us and the other social democratic parties lies in an activist slant, in the best sense of that word. We simply do not want to be a party that will tag along after the problems that Croatia, currently the HDZ [Croatian Democratic Community], is imposing, or the problems that the world or someone else is imposing on Croatia.*

[FERAL TRIBUNE] What are the chances for a more influential social democratic party to establish itself in today's political environment in Croatia?

[Siber] A few years ago, I answered a similar question by saying that the left's chances have never been better than they are now. They are big chances precisely because the left's position is so marginalized and weak that it can only get better. I think that a situation is slightly emerging in which the social democratic options in Croatia have a chance, as follows: In a way, the Croatian political scene is more or less becoming stabilized, the state has been established and no one is questioning it, regardless of the problem of the aggressive environment and the occupied part of its territory, people are starting to turn more toward life's specific existential conditions, and more and more they are beginning to feel at their own expense where a radical, classic liberal concept, not

of transformation but rather literally of theft and exploitation, leads to; people are becoming more and more aware of what kind of labor legislation is being offered to us, and trade union organization and the need for a common struggle for workers' and other rights are growing stronger. If we analyze the real social-welfare and existential structure of society, then social democracy, which still offers a different option for social development, has a chance.

On the other hand, if we see that nevertheless that emotional, national, understandable, and necessary slant that was dominant in Croatia from 1990, in the changing political system, and also in 1991 and 1992, in view of the aggression that was carried out, is now nevertheless deflating and turning into a "normal" Croatian nationalism, without that heightened emotional note and in view of the fact that many people have outgrown some old mistakes and orientations and realized that the social democratic option, in a pluralist society, offers a chance for a genuine struggle for social justice, equality, human rights, the protection of the marginalized and weak, then I think that social democracy, both as a potential constituency and as some organized forms of party activity, is on the rise, and that it is only a matter of time until the social democratic parties, or else united in one party, which I hope will happen, will play a very important role on the Croatian political scene.

[FERAL TRIBUNE] At the same time, the radically right-wing parties are growing stronger in Croatia, and people are even talking about the potential development of fascism in Croatia. To what extent can that process curb the development of a stronger social democratic party?

[Siber] I would like to emphasize at once that that process, if it is under way, or to the extent that it is under way, is not only hindering the development of a social democratic party; it is hindering the development of a liberal party, a democratic Christian one; it is hindering the development of democracy. I would by no means consider this a movement or phenomenon that is jeopardizing one political option; instead, it is jeopardizing Croatian democracy, and thus the Croatian state.

[FERAL TRIBUNE] What was it in the activity of the existing left-wing parties that led you to aim at founding a new social democratic party?

[Siber] The existing parties that describe themselves as social democratic ones have simply not proven that they are politically strong enough that they can develop the social democratic idea and option in Croatia. Some of them have been going downhill since 1990, and thus have been marginalized; another one that was founded after that, like the SDU [Social Democratic Union], was not able to win the confidence of the electorate. If we had stayed with the existing social democratic parties, in the next elections that would very probably have led either to a further marginalization or to maintenance of the status quo, and that status, with one party representing a

marginal 5.4 percent of the electorate's votes, simply is not what Croatia needs and can have. A fairly large group of people have therefore come to realize that Croatian social democracy needs a new impetus. We originally thought that that impetus should come primarily from uniting the social democratic parties, whose unification would regain the electorate's confidence and show that the people involved in social democracy really are willing to offer Croatia a social democratic alternative. Since that idea did not win support, and we are therefore unable to achieve that positive shock that we hoped for in the next elections, we took advantage of the existing infrastructure and legal continuity of the Socialist Party, while trying to create a new identity, which in itself, through the people appointed to its leadership, would demonstrate that desire for integration. Accordingly, Action of Social-Democrats is willing not only for unification as an ultimate goal, but also for direct cooperation, since that is the only way we can do something.

[FERAL TRIBUNE] What are you offering that is new in comparison with the existing social democratic parties?

[Siber] I would venture to say that what should be the vital difference, our *modus operandi*, lies in an activist slant, in the best sense of that word. We simply do not want to be a party that will tag along behind those problems that Croatia, currently the HDZ, is imposing, or those which are imposed on Croatia by the world or someone else. We want to be a party that will, from a social democratic perspective, point out and establish certain social problems as the priority problems of Croatian politics today. That is the essence, and don't ask me to tell you what the differences are between our program and the SDP's, because there are none. It is regrettable that we really are not in a position to unite in one joint action all the people who think and act as social democrats and who advocate those values.

Media Said To Misrepresent HSS Defections

94P20213A Split SLOBODNA DALMACIJA in
Serbo-Croatian 12 Nov 94 p 2

[Article by R. Bajrusi: "Largest Transfer"—Simple Manipulation"]

[FBIS Translated Text] "The alleged transfer of 16, i.e. 74, members of our party into the ranks of the Croatian Democratic Community [HDZ] is in no way 'the largest transfer on the Croatian political scene,' as the media have termed it, but a plain manipulation. Unfortunately, not only former officials of the Croatian Peasants Party [HSS] and functionaries of Croatian television participated in this manipulation, but also Croatian President Franjo Tudjman, who caused great damage to the development of democracy with this move." With these words Stjepan Radic, vice president of the Croatian Peasants Party, characterized at an emergency news conference the news that a delegation from his party had joined the HDZ.

Explaining the reasons that prompted such a quick response, Radic pointed out that what is at issue are persons who had not been members of the HSS for months. For example, the initiator of the transfer, Dr. Josip Stojanovic, was expelled during a July party convention by a vote of 1,044 to 15. The situation is similar with other members, who collectively left the HSS on 18 October and therefore also cannot be called members of the official delegation, as Croatian Radio-Television termed them in its DNEVNIK program.

The basic goal of such a representation of events, Radic maintains, is the weakening of the HSS because of its disagreement with the policy of the ruling party. However, the fact that the HSS is presently active in 812 branches with 21,000 members says that the reality is altogether different. Another reason for the HDZ action could be the recent collective transfer of the entire HDZ branch in Vukovina into the ranks of the HSS. But this event, in contrast to the other, was not even mentioned in the media, which clearly speaks of the link between television and the party in power.

HSS President Drago Stipac pointed out that the main reason for this event was the intention of President Tudjman to provoke new divisions among Croats. For this purpose he needed someone like Dr. Stojanovic as proof that there is no division in the HDZ, but a countereffect has been achieved, resulting in the linking of all the opposition parties. This is confirmed by the initiative of their leaders who, immediately following the broadcast of the controversial news, supported the HSS and announced a joint stand with respect to Croatian Television and the HDZ. Stipac announced that the final result of their stand could be an initiative for the dismissal of all Croatian Television officials responsible for such a manipulation of the public.

Meeting of Association of Regional Parties

95P20216A Split SLOBODNA DALMACIJA in
Serbo-Croatian 12 Nov 94 p 56

[Article by D. Mezic: "Croatia Predetermined Naturally by Regions"]

[FBIS Translated Text] Zadar—In spite of attempts to disturb and interrupt the gathering or, at least, to lead it in a different direction, participants in the meeting that the Zadar City Council of Dalmatian Action organized on Thursday evening in Zadar nevertheless succeeded in expressing their views on regionalism.

Emil Soldatic, secretary of the Istrian Democratic Congress [IDS], stated that the attacks on the IDS can only be compared to those directed at an enemy. He said that the party respects the principle of the equality of citizens and that since the IDS's arrival in power not a single person employed in public office in Istria had been dismissed.

Ivica Bogadi conveyed the views of the Slavonia-Baranja Croatian Party: "In Slavonia, one proceeds from the Croatian nation-building tradition, and there is a strong

historical foundation for regionalism." He repeated several times the statement that Croatia had been naturally predetermined by regions.

The example of the Rijeka Democratic Union, which together with the Croatian Democratic Community is the opposition to the ruling coalition in Rijeka, proves that the opposition can act in Croatia, Franjo Cabrija, president of the Rijeka Democratic Union, stated.

Dr. Mira Ljubic-Lorger, president of Dalmatian Action, stated that while all the regional parties support the integrity and sovereignty of Croatia, they are at the same time forced to defend themselves desperately against accusations. She stated that the ruling party is conducting a bad policy in Dalmatia and that it is not the fault of the war that things are so bad in Dalmatia and so good in Zagreb. She said that all of Dalmatia has been transformed into a social and sociological case.

Dr. Lorger was crudely interrupted at the very beginning of her presentation by two individuals who directed a series of insults at her and at other participants in the meeting, as well as to the parties they represent. Police had to be called to ask the individuals to leave the meeting after the participants failed to stop their uninterrupted flow of insulting and threatening words.

SRNA Reports Weapons From Slovakia Due

*LD0612093694 Belgrade TANJUG in English 0905
GMT 6 Dec 94*

[FBIS Transcribed Text] Belgrade, Dec. 6 (TANJUG)—
Weapons purchased in Slovakia in violation of the arms

ban on former Yugoslavia are due to arrive in Croatia any day now, the Bosnian Serb army headquarters said.

The Bosnian Serb News Agency SRNA quoted the army sources as saying a train carrying 15 multiple rocket launchers and large quantities of rockets, purchased by Croatia in Slovakia, was due to arrive in the Hungarian town of Gyor, on Dec. 7.

From Gyor, which is located near the border with Slovakia, the cargo is to proceed for Croatia.

The weapons had been the property of the former Czechoslovakian Army.

Circles close to the Slovenian Defense Ministry have confirmed to the local SRNA correspondent that the illegal arms shipment is bound for Croatia.

The train includes cars from Germany, Hungary and the Czech Republic and is travelling via the Czech Republic, Austria and Hungary, the sources told SRNA.

SRNA gave the precise numbers of cars belonging to each country, quoting the Slovenian Defense Ministry circles.

Slovenia is also involved in illegal arms shipments to Croatia and Bosnia-Herzegovina, as its leadership has openly admitted.

A trial began this summer of suspected participants in an arms smuggling ring, who were arrested when huge quantities of weaponry for Bosnian Muslims were discovered at Maribor airport in northern Slovenia.

Professor Insists Albanian University To Open

**AU0512172794 Skopje NOVA MAKEDONIJA in
Macedonian 2 Dec 94 p 4**

[Interview with Fadil Sulejmani, president of the Initiative Board on establishing a university in Tetovo, by P. Djambazoski and B. Jovanovska; place and date not given: "If the Government Stops Us, Everything Will Go to Hell"]

[FBIS Translated Text] *We did the interview with Fadil Sulejmani, president of the Initiative Board for the establishment of a university in Tetovo in the Albanian language, in the "rooms of the university," to use his own words. He told us that some of the rooms for lectures and for the library have already been provided, and he emphasized that the money had been given by "sponsors and the people." Sulejmani was a professor at Pristina University for years, he specialized in Bonn and Rome, and took his doctorate in Albanology at Belgrade University. He was born in Bozovce, a village near Tetovo, 54 years ago. He went to school in Tetovo and graduated at the high school in Prizren, Kosovo, in the department of Albanology. Until the beginning of this year he lectured in Albanology and phonetics at Pristina University, where he had lectured since 1971, and therefore he did not witness the "wave" of the so-called political differentiation. Fadil Sulejmani says that he is a citizen of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia]. He also emphasizes that his identity card expired three months ago, and although he applied for a new one, it has not yet been issued to him.*

[NOVA MAKEDONIJA] We are doing this interview in rooms marked with a bilingual board saying this is Tetovo University. Does that mean that the preparations are coming to an end?

[Sulejmani] We are making intensive preparations. We have provided the necessary lecture rooms and everything that is indispensable—the preparation of documentation, a rule book, a statute. We are also busy providing financial resources. We take this initiative very seriously and do not want it to remain only on paper. We are very late with the university, and someone is very responsible for that. We shall not look for the guilty party now and we shall not accuse him. We are not interested in that now. The most important thing for us now is to erect the temple of knowledge and science. We shall ask for help from all in order to achieve this. First, we are referring here to our state Macedonia because it has an obligation to help its people. Help is indispensable to us because we are its citizens, too. The present time simply cannot afford a situation in which some have two universities, numerous cultural institutions, and an Academy of Science, whereas we have only an Academy of Pedagogy. We dispose of over 15 classrooms and we are doing all this very openly. The Albanians have changed, and all the circumstances in and around Macedonia have also changed. Every possible obstacle or method of the once Bolshevik system against the opening

of the university will come back as a boomerang. We have also proposed a discussion with President Gligorov and it is going to be an open discussion on an equal footing. The discussion will be of an informative character. The whole matter of the university is a fait accompli. That is why I say that in this discussion the first and the last word will be the same—a new university.

[NOVA MAKEDONIJA] You say that the university is a fait accompli. Nevertheless, we would like to know why you think it is necessary?

[Sulejmani] It is a need that has been imposed by the times. We had to have a university when the Macedonians were establishing their two. Our students do not have a place to study. As you know, they no longer study in Pristina because of economic problems, and also because they are being chased from there. The Albanians in Macedonia do not have their scientific institutions, and we need education and professionals. This is something that the Government of Macedonia should take care of. The state should be grateful to us for doing what it was supposed to do. When the Macedonians and the Albanians are educated, then the country will be more developed. That is why I say that the university is to the benefit of all of us.

[NOVA MAKEDONIJA] You claim that your children cannot study in Macedonia. However, the situation is otherwise—at Skopje University there are extraordinary promotion measures, special quotas for students of the nationalities. Knowing this, is your initiative not of a political nature with the aim of creating a parallel national state of Albanians in Macedonia?

[Sulejmani] Look, I am going to ask you something in Macedonian. Do not confuse this with politics and do not politicize the whole idea. Everything that belongs to a platform of a university is not politics. Let others talk about politics. All we are interested in is the notebook and the pencil.

[NOVA MAKEDONIJA] Nevertheless, politics are more than evident. The Albanian political parties are publicly supporting the initiative.

[Sulejmani] Our parties have in their programs the solution of the problem of education on all levels. They express the interest of the people and we shall accomplish all our requests for a university together with the political parties of the Albanians.

[NOVA MAKEDONIJA] Some people have said that opening a university in Tetovo is a substitute for Pristina University, which relied on independent status and has been closed, and is an opportunity for the teachers to be transferred here. You are one of them.

[Sulejmani] You are again suggesting everyday politics. What you are saying is not correct. It has simply nothing to do with science or reality. It is true that I used to work

at Pristina University, but what does that mean to you? The sooner we see things more clearly, the better for all of us.

[NOVA MAKEDONIJA] You submitted the idea for establishing a university to the government. Why do you not wait for its answer instead of being in such a hurry?

[Sulejmani] We have waited long enough. On 26 November we decided to open the university on 17 December, and to start lecturing in January. We must be democratic, the ones and the others. What kind of a democracy do you preach if you deprive others of the elementary right to education? Do not forget, this is our natural right. Like all Macedonians, we, too, are participating in this state. We join the army to defend our fatherland, Macedonia. If we have common duties toward the state, why are we denied the right to education? We do not want to strangle the state, but let it help us as much as it can.

[NOVA MAKEDONIJA] What are the foundations for your request for opening a university knowing that the Law on University does not allow this?

[Sulejmani] We are citizens of Macedonia, and therefore the laws are applied to us, too. If these laws open doors to half of the people, why should not they open doors to us, too? It means that we have to change the laws as soon as possible. The Constitution does not express the interests of the Albanians and they did not vote for it. However, let me ask you where does it say in the Constitution that the Albanians are not allowed to be educated in their own language? Some even reprimand me for speaking in Albanian. I also speak excellent German, Italian....

[NOVA MAKEDONIJA] Yes, but it is a little weird that you do not speak the language of the country in which you were born, in which you were educated, and in which you now live.

[Sulejmani] I know the Macedonian language and I do not mind your speaking in your own language, but do not prevent me from speaking my language. We, the Albanians, are really liberal. Macedonia is my and your fatherland. What you are asking is ridiculous, because in my fatherland I have the right to speak in my own language.

[NOVA MAKEDONIJA] Since we are doing an interview for a newspaper, and you insisted on having an interpreter, we thought you did not understand Macedonian.

[Sulejmani] In Tetovo I shall speak Albanian, and if I go to Gevgelija, where they do not speak Albanian, I shall speak Macedonian, because I am an equal citizen of this state. When I go to Germany or Italy I speak their languages. You should start to learn Albanian.

[NOVA MAKEDONIJA] Will you use an interpreter in a possible meeting with President Gligorov?

[Sulejmani] Absolutely! I wonder why you ask me the reason for my living and working in Pristina, and why I was not educated in Skopje or Tetovo, for instance. Here I am not allowed to write even an application in my language, they immediately tear it up.

[NOVA MAKEDONIJA] However, Macedonian is the official language in Macedonia.

[Sulejmani] Albanian will also be official wherever Albanians live. You always say minority. The people are divided into a majority and a minority in dictatorial states. This is rising in Bolshevik states as it is Macedonia, for instance. If you construct a democratic state you must construct equal relations where, if there are conditions, you will also open a university. According to statistics there are half a million of us here.

[NOVA MAKEDONIJA] Your information is not correct. However, if there are 2 million people in Macedonia, is it appropriate to open a third university....

[Sulejmani] We welcome the fact that the Macedonians have two universities, let the Albanians have one.

[NOVA MAKEDONIJA] These two universities also belong to the Albanians as citizens of this country.

[Sulejmani] No. They belong to the Macedonians. The Albanians are not equal and there are obstacles to their enlisting. Even the former dean of Skopje University once said that an equal number of Africans and Albanians passed through the faculties.

[NOVA MAKEDONIJA] Official data speak about 300 registered Albanians two years ago, only at Skopje University.

[Sulejmani] I do not have this information, but I am going to say that not 1 percent of the Albanians had language obstacles. All right, let us talk about the Albanian woman—what have you written about her emancipation? Why is she sitting at home?

[NOVA MAKEDONIJA] Well, that she has to be educated, employed, and not just sit at home, closed in her family.

[Sulejmani] She is sitting at home because she has not been granted the possibilities to be educated, she is not allowed to learn in her own language.

[NOVA MAKEDONIJA] In your opinion, the family and conservative understanding have not influenced her?

[Sulejmani] No. The doors are closed for the Albanian woman.

[NOVA MAKEDONIJA] Do you know the number of Albanian women working in the high state administration?

[Sulejmani] Please, these are old communist methods, as in the time of Azem Vllasi.

[NOVA MAKEDONIJA] Will you have special criteria and quotas for the possible registration of Macedonians?

[Sulejmani] The same. However, if they want to attend lectures in Albanian, they will have to pass an exam on the language.

[NOVA MAKEDONIJA] Let us go back to the idea. The international conventions do not provide for the opening of universities for the minorities.

[Sulejmani] I have not studied those conventions and you are once again mentioning the term minority. You must free yourself from this Bolshevik framework. Nevertheless, I think that those conventions do not forbid the opening of universities. I have read in RILINDIJA a list of 26 countries that have great rights for education. In Finland some 50,000 Swedes have their own university!

[NOVA MAKEDONIJA] In the United States there are no such universities that are financed and opened by the state. Such an education is possible, but for personal use, and the diplomas are not valid.

[Sulejmani] They do not separate the nations there, while here in Macedonia we do. The educational and civilization level there is very high.

[NOVA MAKEDONIJA] And there is no racism and nationalism?

[Sulejmani] After the first former Yugoslavia, all the peoples started from the same level, we were all poor. Where have the Albanians and where have you arrived now? However, why are you making comparisons with the United States?

[NOVA MAKEDONIJA] Because you were the first to make comparisons with Finland.

[Sulejmani] I mentioned 26 countries.

[NOVA MAKEDONIJA] If the Greeks in Albania, being the largest minority there, ask for a university and open it in spite of a negative decision of the Albanian Government, will you support them publicly?

[Sulejmani] Yes, and I shall go to teach there if they ask me to. I shall support them if they have conditions for opening a university.

[NOVA MAKEDONIJA] In Pristina the students are studying "clandestinely," in private houses. Will you recognize these studies and will you register these students in Tetovo in order to enable them to continue their studies?

[Sulejmani] Yes. The reason is because everywhere in the world diplomas achieved in this manner are recognized, and Pristina University is working on a scientific basis in spite of the conditions. However, these students will first of all have to pass an examination in Macedonian.

[NOVA MAKEDONIJA] In your statements you often say that you are backed by the will of the people. How did you define this will?

[Sulejmani] It is normal—it is normal to wish to open a university in the Albanian language in Tetovo. I shall just take one example to illustrate this. At a meeting we had in Kumanovo an elderly lady was wearing a large gold medallion. She took it off and said that she knew now that it was not gold, that the pen, education, was the real gold. Or, two small children come, and they had not eaten chocolate for a whole month in order to save some money—they gave us the money and they told us that they were collecting money for the university.

[NOVA MAKEDONIJA] Did you take their money?

[Sulejmani] You should be objective and inform the Macedonian people correctly about who the good people are—we know it very well. We also know their history, but you have distorted ours. The people are in favor of a university. We, the parties, and intellectuals will all stand on our feet to defend it. If the Macedonian Government does not want to help us, let it not obstruct it. Otherwise everything will go to hell—we shall be affected, but you shall be, too, and the government and Gligorov will be blamed.

[NOVA MAKEDONIJA] Have you considered the possible consequences if the university is opened at all costs and what situations could arise in Macedonia because of this?

[Sulejmani] We shall start the lectures, because this is not a game, and you should understand that. We have introduced the whole world to the fact that the Albanians do not wish to live in darkness any more. The people are worried and are waiting for a single signal and the whole Albanian population raise to its feet. We are in favor of a common state. But, if you obstruct our living, our studies, our seeing, is it worth living then? No!

Peterle Criticizes Relations Within Coalition

95BA0029C Ljubljana DELO in Slovene 2 Nov 94 p 2

[Interview with Foreign Minister Lojze Peterle by Danilo Slivnik and Vinko Vasle; place and date not given: "At the SKD Council, I Will Vote To Leave the Government Coalition"]

[FBIS Translated Text] *The limit of democracy in the coalition has been crossed; it was only a question of publicly owned property in Zone B; the LDS [Liberal Democratic Party] decided that Peterle must not succeed; the tolerance limit of the SKD [Slovene Christian Democrats] has been crossed.*

Ljubljana, 1 Nov—During the past week, relations between the SKD and the LDS have been considerably exacerbated, and three Christian Democratic ministers have supported the party's leaving the government, on which the SKD Council is to decide next week. Is the grand coalition therefore facing collapse, and what does Lojze Peterle think about it?

[Slivnik] Regardless of various views and interpretations of the Aquilea statement, it is still not completely clear why it was necessary to tear apart your reputation so sharply last week.

[Peterle] It could only be explained in terms of certain internal party interests, or more precisely, the LDS and also the United List simply did not want success in the negotiations with Italy, which was completely possible because of me. I heard several times from LDS circles that they would not allow Peterle to succeed. Specifically, it would have been too wonderful if I had ended my term as minister with a green light for Slovenia in Brussels. Some people also assumed that the EU [European Union] Council would meet again next month anyway, and that consequently it did not matter if we waited another month, since we had already waited a year. In the meantime, someone else will handle the diplomacy and four days before the local elections the "right" party can come with the right result. I think that that fairytale will not happen, because we have seriously lost credibility in Europe. Otherwise, I can describe my work in connection with the negotiations with the Italians figuratively as follows: If the fascists really are against me in Italy, and the former communists at home, then I kept a legal orientation. In short, it is a dirty game against me personally and against the SKD.

[Slivnik] That political game between the SKD and the LDS has already lasted for a long time, however, and Drnovsek has always given the impression that it matters to him what the coalition will be like. Essentially, however, he did exacerbate relations with your party....

[Peterle] Recently that has increased. A while ago, Prime Minister Drnovsek even stated on TV that he would now take matters into his own hands more in connection with the Croats and Italians. That was quite unusual, and also not in accordance with the coalition agreement. The

results are as follows: Relations with Croatia deteriorated, the meeting with Valentinc was canceled, and the Croats' negotiating demands became sharper. Things deteriorated with Italy, since there was also an ignorant attitude on the part of the prime minister. Relations with the EU also thereby deteriorated. We cannot seek supporters against Italy within the EU, but instead have to settle matters with Italy on our own. I am convinced that I achieved a relatively low price in the negotiations and a statement that represented a lifting of the blockade in relations with Italy, and on which we could have built further. It was not ideal, but it was acceptable. Even the prime minister said that objectively, we could not have gotten any more. I am waiting for someone who will get more! There will also be a price for the delay with the EU.

[Slivnik] The critics of the Aquilea document singled out the danger that Italian real estate demands could even extend to Ljubljana, and that Slovenia might thus lose a tremendous amount of property.

[Peterle] If we want to have big eyes, then one can also conjure up a great fear out of a very clear wording! So far we and the Italians have always talked only about Zone B, and we have not talked about the land, the sea, and so forth. In Rome, we also narrowed a wording that was relatively broad to that explicit one, which is what we were always negotiating over. It only involves publicly owned property—apartment units or houses—in the area of Zone B. We are not giving anything back, and instead we only talked about how the former owners could acquire (buy) back part of the property. It was a question of thawing relations with the Italians and a political statement, not an international agreement.

[Slivnik] What do all those events, especially Friday's in parliament, mean for your party and for the coalition?

[Peterle] Several things happened which indicate a non-partnerlike and non-state-building attitude on the part of the LDS. You are familiar with the reasons for my resignation, and nothing happened on the subject of demonopolizing authority. That party still has the prime minister, the president of parliament, the president of the council—and what is most questionable is that it also has the vice president of parliament, and the LDS did not even want to give that up. Now that the foreign minister has twice been discredited, as the head of a coalition partner party, our party has to think seriously about whether to stay in such a coalition. It is thanks to that kind of policy that Slovenia's credibility in Europe has fallen considerably, and we do not want to bear the responsibility for that. If that party is behaving in such an authoritarian and arbitrary way, then now it has an opportunity to rule only with those whom Drnovsek described at the Liberal International in Reykjavik as a danger to liberal democrats—he was talking about the former communists and nationalists. It has also been clear for a long time now that the LDS is postponing a decision on closer relations with Christian Democracy.

That is why it would not surprise me if our party's council decided that we would leave the coalition. What is happening now is already a humiliation.

[Slivnik] There have already been several threats from you about leaving the coalition, but you have always talked about the advantages of participating in the government. What would leaving the coalition actually take away from you? It is constantly said that the Ministry of Transportation and Roads, where there is a lot of money, is involved here.

[Peterle] It is not important how much money there is, but the finances have to be transparent. The more money, the more responsibility! There is more money in many places, but we decided on that ministry because we know how roads were built previously, when it was rarely known where the money came from and where it was going, but we work transparently. We wanted a rapid pace of road construction, and it is rapid; things are improving with the railroad, and even the losses are heading toward the black; that obviously bothers someone. Some people in the LDS say that we will not leave the government because the roads are so very important to us, but even in politics there are some limits, and some basic correctness is necessary. That, however, obviously no longer exists.

[Slivnik] How will you vote personally at the SKS council?

[Peterle] The limit of our party's tolerance in the coalition has already been crossed, and I think that we are approaching the end of that kind of coalition. I am personally in favor of leaving the coalition. The reactions of our members in the field have been very harsh, and the attitude toward the LDS after the recent events is very negative and critical.

[Slivnik] It seems that for some time now you have had the status of an associate coalition partner, and have been smoothly outvoted on several initiatives in the coalition.

[Peterle] I will never agree that democracy is just a matter of voting; it is also the content. The LDS, however, was not prepared to accept even a method of voting within the coalition by which rapid outvoting would not have been possible either on the right or the left. As far as righting wrongs is concerned, they have already changed what was agreed upon. If we also add the fact that nothing has happened with the LDS's monopolization of authority, then things are quite clear. It is bad for Slovenia!

Draft Law on Customs Tariff Adopted

95BA0029A Ljubljana DELO in Slovene 21 Oct 94 p 3

[Article by Marjeta Sostaric: "The Government Has Adopted a Draft Law on the Customs Rate Schedule"]

[FBIS Translated Text] Ljubljana, 20 Oct—On this occasion, at its regular meeting the Slovene Government discussed and adopted a draft law on the customs rate schedule, which constitutes one of the more important regulations in the field of foreign economic relations, in which we are currently still using the former Yugoslavia's law on the customs rate schedule, in accordance with the principle of succession. The law, which was prepared by the Ministry of Economic Relations and Development more than a year ago, and is now being forwarded for parliamentary proceedings (the first reading), is comparable to similar legislation in the European Union [EU], according to State Secretary Vojka Ravbar.

The law on the customs rate schedule and the tariff rates specified by the customs rate schedule are to promote a protective role for tariffs, which will take into account the needs of the Slovene economy, but at the same time the law also takes into account GATT requirements. In specifying the levels of protection, as Ravbar said at a news conference after the government meeting, they took into account the fact that the Slovene manufacturing industry is dependent upon imports, and consequently its export competitiveness can be increased by reducing costs, which also include the costs of the raw material inputs. That is why the lowest tariff rates, namely from 0 to 5 percent, have been proposed for raw materials, and from 5 to 10 percent for semifinished products and producer goods, while tariff rates between 8 and 15 percent are to be used for products with a higher degree of processing and for equipment. The highest tariff rates, between 15 and 27 percent, have been proposed for consumer goods. In this regard, it is important that in addition to the tariff, the tariff rate also includes two other import duties, namely a 1 percent duty for customs records, and a special tax for equalizing the tax burden. With the promulgation of this law, these two duties will no longer be calculated separately. Thus, there will be no change in the amount of the individual customs items, but there will be fewer papers in the customs procedure itself.

In specifying the levels of customs protection, the drafters of the law also took into account the standards and regulations of the EU, which should facilitate Slovenia's work (adjusting legislation) upon joining the EU. The standardization and definition of several tariff levels should also, when the law goes into effect, eliminate various certificates that are required now, for instance, the certificate that a specific good is not produced in Slovenia. It is now possible to use them to promote lowering specific tariff rates, either for raw materials and semifinished products or for equipment. Specifically, the proposed legal solution provided for the lowest tariff rates for everything that Slovenia has already imported at the lowest tariff rates in the past. According to Ravbar, it has turned out that on the basis of specific decrees and government regulations on reducing tariff rates and exemptions, a full half of everything imported is coming into the country under a heading covered by a reduced tariff rate on the basis of

various certificates that the good is not produced in our country. In this regard, of course, they took into account the principle that for all the tariff rates proposed in the law, the tariff rate is not lower than in the EU, although the government, in spite of everything, is to have the ability to lower those tariff rates even further for several types of goods, at least as long as Slovenia is still not in the EU.

For almost all groups of industrial products, the proposed law should reduce the tariff rates or keep them at their present level, but the tariff rates are to be increased for live animals, meat, partly for fish, vegetables, products of the milling industry, and meat products, and for almost all food products, except those covered by special duties or import taxes reserved for agricultural products. The new law on the customs rate schedule should also leave the tariff rates mostly unchanged on products for final consumption.

With the adoption of this law (which is expected to go into effect on 1 July 1995), the state treasury, according to the government's estimates, would have 2 to 2.5 million tolar less in annual revenue.

Budget Memorandum for 1995 Adopted

95BA0031B Ljubljana DELO in Slovene 5 Nov 94 p 1

[Article by Miha Jenko and Bozena Kriznik: "The Government Is Advocating Lower Public Spending"]

[FBIS Translated Text] *It has adopted a budget memorandum that will be the basis for the state budget; the main goals next year are curbing inflation and economic growth.*

Ljubljana, 4 Nov—Today the Slovene Government adopted a budget memorandum for next year, which will be the basis for preparing the next state budget. As Finance Minister Mitja Gaspari emphasized at a news conference, it is intended primarily for a general parliamentary discussion on all four important public finance treasuries: The state budget, the municipal budgets, pension and disability insurance, and mandatory health insurance.

In 1995, some of those treasuries (the health and pension funds) will have a deficit for the first time. The government proposed that the state budget should be balanced (its revenues and expenditures are to amount to a little over 503 billion tolar, with an expected gross national

product of 2,141 billion tolar), but it assumed that the pension and health insurance deficits would be financed partly from the present reserves of both institutions, and that those reserves would be partly reduced. That would avoid additional costs for the labor force, since in the government's opinion it is not acceptable to increase the contribution rates.

If the government's proposal is not adopted in parliament, according to Gaspari we are approaching another scenario, which means an approximate 60 billion deficit in the entire public sector, whereas the budget memorandum provides that it should amount to about 15 billion tolar—if the state had to finance the deficit of the two social insurance treasuries, Gaspari said.

In 1995, systemic changes should therefore go into effect in those areas; otherwise, larger deficits could arise that would jeopardize the implementation of economic policy. During the discussion of the state budget, the government and the State Assembly will necessarily have to discuss priorities as well: According to Gaspari, so many national programs have been accumulated, and laws based on them, that the state could collect only 40 to 45 percent of the funds projected. Otherwise, the state budget should be adopted by parliament by the end of February.

In formulating the basic goals and instruments of economic policy and in designating the main items in the budget for next year, the government relied on the achievements this year and on the prediction of favorable trends next year. This year, according to Minister of Economic Relations and Development Dr. Davorin Kracun, we have had to deal with a transformation recession; economic growth is flourishing; and we have already taken the decisive steps in the past to reduce inflation. We will continue the outlined processes: privatization, economic restructuring, and bank rehabilitation.

In the memorandum for 1995, the government defined the two basic goals of economic policy, which will require coordinated action by the government, parliament, the Bank of Slovenia, and the social partners. Those are reducing inflation, and economic growth. The goals, which in theory are incompatible, are inseparable in our transitional situation, as the government is convinced. We cannot expect lasting economic growth without purging the remains of the old system and reducing inflation, and on the other hand the expected revival will help to curb inflation.

Federal

Contact Group Strategy To Use Force, Diplomacy

LD0512145294 Belgrade TANJUG in English 1434
GMT 5 Dec 94

[By Borislav Lalic]

[FBIS Transcribed Text] Belgrade, Dec. 5 (TANJUG)—The results of the latest 'Contact Group' ministerial meeting are not to be neglected as it resolved one of the most crucial issues for Bosnia—the war option was abandoned.

There is no doubt the decision of the contact group foreign ministers to stop trying to solve problems 'from the air' was the biggest result of Friday's [2 December] meeting in Brussels.

The decision was actually initiated by the United States representative in the contact group who was the only one to urge a strategy of combined force and diplomacy to resolve the Bosnian conflict.

Sources in the United States have said the way of handling the issue had been decided last week, when U.S. President Bill Clinton agreed to abandon the 'from the air' approach.

The rest of the Contact Group—Russia, Great Britain, France and Germany—following the U.S. decision, opted for diplomacy. The first steps in this new 'shuttle diplomacy' have already been made.

French and British foreign ministers, Alain Juppe and Douglas Hurd, visited Belgrade on Sunday, while U.S. envoy Charles Redman was in Pale and Sarajevo from Friday to Sunday.

The Brussels meeting agreed upon a sequence of moves, where the urgent and lasting cessation of hostilities had a priority, for which a consent by each side to the conflict should be obtained.

Initial comments to the Brussels meeting said the Muslims would agree to a ceasefire only if the United States clearly showed them no one was prepared to maintain the illusion they would fight a war in behalf of the Muslims.

It is possible that Redman suggested something like this to his hosts in Sarajevo.

It would be easier to obtain consent from the Bosnian Serbs, as the situation on the fronts has been favorable for them.

It is less evident whether the Bosnian Serb Government would agree to change its rigid position toward the contact group plan after the Brussels meeting.

The five Contact Group ministers said the essence of the plan remained the same, but they hinted a number of new and more flexible tones.

The most important tone was the one referring to the constitutional arrangement of Bosnia. A ministerial statement from Brussels said ethnic communities would have 'equal rights,' which sounds rather understated.

However, Hurd and Juppe, as well as Russian Foreign Minister Andrey Kozyrev clearly said this meant the Bosnian Serb republic would be given the right to form a confederation with Yugoslavia, similarly to the right given to the Muslim-Croat federation to confederate with Croatia.

It remains uncertain if such an interpretation will be sufficient to convince the Bosnian Serbs to sit at the negotiating table and discuss the contact group plan, since it is a fact that a fierce offensive of 'extraction' of peace is underway, with the synchronization of all sides.

On the other hand, this does not mean that the peace process would have more luck this time, since, when Bosnia is in question, all surprises are possible.

The only encouraging fact, at least when the international community is concerned, is that everyone has had enough of the war in Bosnia.

Jovic Comments on Visit to PRC, Japan

AU0512210394 Belgrade RTB Television Network in
Serbo-Croatian 1830 GMT 5 Dec 94

[Interview with Borislav Jovic, vice-chairman of the Socialist Party of Serbia, by Dusan Cukic; place and date not given—recorded]

[FBIS Translated Text] [Cukic] After concluding the official visit to China and Japan, what is your assessment of the way the Chinese and Japanese see the FRY [Former Republic of Yugoslavia] now, at this moment?

[Jovic] Well, we may say that this visit of ours had great significance in this respect; in firming the position of the FRY in this part of the globe, with these two very important countries.

Regarding China, it has now been fully confirmed that China is fully on our side because it realized the justice of the stand of the FRY and the Serbian people, that it favors the lifting of the sanctions, that it favors a peaceful solution, and that it is against the interference of foreign powers who are fomenting the war in Bosnia-Herzegovina. Therefore, I think that full support for our policy has been gained in China, and very commendable possibilities for cooperation between our two countries the moment the sanctions are lifted have been seen into.

As far as Japan is considered, I think that the assessment is similar, only, the positive moves that occurred in Japan were greater, as Japan was more reserved regarding the Yugoslav crisis. However Japan was also constructive; the Japanese media were not unfair toward the Yugoslav crisis and the Japanese Government was not quick to condemn our policy and our country in any way. And now, a good step has been made in supporting

our policy and our country in the sense that the Japanese Government recognizes, that is, accepts Yugoslavia's peace policy, asks Yugoslavia to continue on that road—as it is a very important factor in the Balkans—and has sufficient understanding for our demands for sanctions to be lifted, as they are unjust and by no means contribute to solving the crisis in Bosnia-Herzegovina.

Therefore, I think that the entire visit to both countries was very important for affirming the FRY policy and supporting a peaceful solution to the crisis in Bosnia-Herzegovina and the lifting of the sanctions on the FRY.

[Cukic] Thank you.

[Jovic] You are welcome.

Review of NATO Strike; Morale Declining

AU0512141494 Podgorica MONITOR in
Serbo-Croatian 25 Nov 94 pp 21-22

[Article by Vladimir Jovanovic: "Live Mud of Bihac"]

[FBIS Translated Text] Based on the exclusive information we received in the night between 21 and 22 November 1994 it is possible to make a relatively complete reconstruction of the NATO air strike over Croatia. The strike was primarily aimed at Udbina airport and its auxiliary facilities in two neighboring villages. A relatively large number of aircraft carried out the air strike in several waves according to precisely selected targets. The action was led by U.S. F-15E "Eagle" fighters. All aircraft took off from several Italian land bases.

According to the information we have there were at least 20 Serbian fighter-bombers (primarily J-22 "Orao", "Galeb" G-4, and several "Jastreb" aircraft) as well as a troop of combat and one or two transporting helicopters on the Udbina airport runway and in the near-by facilities at the time the strike started.

The attack was carried out in the form of concentric circles. Not a single Serbian aircraft took off in order to make a counterattack in the air. There is no optoelectronic equipment in Udbina for actions under conditions of electronic countermeasures, which were certainly applied during the attack, and the old-fashioned and inefficient Russian air-defense missiles of the "SAM"-type could not be efficiently guided.

The NATO Naples command sources reported that the operation was not aimed at Serbian aircraft but at the runway and auxiliary facilities. MONITOR has the independent information that the Serbian aircraft were more or less undamaged, except for damage caused by detonations.

The runway is partially damaged. It was hit by ammunition of the type JP-233, each unit of which contains 30 bomblets for the destruction of runways and 215 mines with timed action that prevent damaged areas being repaired.

Missiles with infrared and laser guidance of the type AGM-65D-D "Maverick" were used for the destruction of hangers and radar and missile positions. It seems that several high-speed missiles of the "CRV-7" type were fired from the British "Jaguar" aircraft toward Serbian fuel and ammunition storehouses and the near-by bunkers.

During the operation 12 fighters circled over Bosnia, probably with the intention of averting a possible flank attack by fighters from Serbia.

Although all the aircraft that participated in the attack were equipped with modern electronic equipment (radars for actions against targets in the air above and below the aircraft axis, up-to-date equipment for active and passive electronic and anti-electronic actions, emitters of infrared and radar lures, navigation systems, protected communication systems, electric commands that enable exceptional maneuverability under all imaginable conditions etc.) the whole operation was planned to be carried out under absolutely optimal circumstances and conditions. Nothing was left to chance. The aircraft even waited for the fog in Krbavsko Polje [Krbavsko Plain]—in whose southern part Udbina (830 m) lies—to rise in order to start the operation.

In what context did the strike against Udbina happen?

The three strikes carried out by the Serbian aircraft from this base against Bihac and Cazin were more than a provocation to the NATO fighters carrying out the "Deny Flight" operation over Bosnia. From the direction of Licko Petrovo Selo the tanks and heavy artillery of the Krajina army attacked the center of the town of Bihac and the village of Izacici. Apart from that, the Krajina army constantly tried to breach the front with its infantry.

Udbina lies approximately 100 km south of Bihac as the crow flies, across Mount Pljesivica, and it is an ideal place for launching attacks on the UN protected Bihac area. This even more since it is impossible for the 5th Corps of the Army of Bosnia-Herzegovina to attack the Udbina aviation base.

This Krajina attack on the Bihac-Cazin enclave came at the moment when Krajina had started negotiating with Zagreb so that Croatia's chances of beginning to regain Krajina had risen, but there were at the same time indications that Mladic, according to "his insane war theory"—as THE WASHINGTON POST wrote—intended to deliberately draw Croatia into the war, which would inevitably make Serbia respond.

There is no doubt that the Serbian aircraft from Udbina were ordered from Omarska near Banja Luka, where General Mladic organized his new headquarters, to attack Bihac and Cazin. This is a proof of his inability to break the 5th Corps and his former subordinate from the Knin Corps General Dudakovic, now known as the "Dragon from Bosnia."

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Karadzic sent a letter to the commander of the Croatian Air Force, General Imre Agotic, in which he informed him that he could soon expect strikes against targets in Croatia. In this way Karadzic informed the public on a part of "Mladic's plan," although this was not his intention (the letter was handed over to Agotic by a UN official, but it was surprisingly published by the Croatian Army Command). General Mladic probably wanted to carry out such an attack with missiles and the aircraft from the Udbina airport since he cannot use the runways near Banja Luka (in Zaluzani and Mahovljani). By the end of 1993 he transferred a part of his aircraft to Udbina, which, let us remember, participated in attacks against the Bosnian Army in central Bosnia (six of them) on 28 February 1994. Four Serbian aircraft of the "Galeb" type were shot down on that occasion, but nobody confirmed that these were "Mladic's aircraft." Everything under the motto: "We have no idea." MON-TENA-FAX [not further specified] published the information that one of the dead pilots was born in Podgorica, whereas the other was a native of Serbia. Most of the pilots who now work in Udbina and in the Serbian republic are of Serbian nationality.

There were rumors that these pilots were simply matchless, but this was not confirmed. The actions in the Bihac-Cazin enclave were imprecise and, apart from civilian victims, did not have much impact. The Bosnian 20/40-mm antiaircraft guns ("Bofors" or "Praga") shot down one Serbian "Orao." A 39-year-old Serbian pilot, identified as Boro Novic, was killed.

The Serbs have generally adapted antiaircraft missile systems and used them in missile attacks against Bihac and Cazin, where the civilian population is concentrated.

The no-fly zone has now been enlarged to Krajina so that the Serbian destructive power toward the rest of Croatia is temporarily restricted.

In spite of the Serbian efforts, the Bosnian defense of the Bihac-Cazin enclave has not been broken yet, and it will not be broken soon. The Serbs have deployed their most elite formations in order to occupy this territory. Military and civilian police units as well as special units (The Protection Regiment and the "Mauser" Unit from Bijeljina) participate in the attack. At least four battalions of armored vehicles, around 100 howitzers and heavy gun tubes, an unknown quantity of mortars, antiaircraft machine guns and antiaircraft guns are used. We estimate that together with Abdic's soldiers the two Serbian armies on the front around the enclave, armed with considerably more weapons than the enemy, now count approximately 35,000 people, as opposed to 18,000 soldiers of the 5th Corps of the Army of Bosnia-Herzegovina.

Making use of the confusion in western Bosnia and the hearty resistance offered by the Bihac corps, other Bosnian formations started operations in northern Bosnia with the aim of occupying the mountains of

Trebavac and Majevisa. All sources are registering their advances. It is not known yet how the conflict over Stolice—a peak on Majevisa, where the key Serbian military communications center is situated—ended. There is neither independent information on the results of the clashes for Donji Vakuf in central Bosnia. There are rumors in Belgrade that unless Bihac falls by the first rain, the situation could lead to a dramatic situation for the Army of the Serbian Republic. In Belgrade it is claimed: "Our war is falling apart."

The position of the official authorities is—in opposition to their former attitudes—pessimistic and expresses capitulation intentions! The morale of the air strike against Udbina is more than clear: If the Yugoslav Army heads publicly for Bosnia, the region west of the Drina River will be exposed to air strikes, too, probably far more massive....

We are coming into the final stage of the politics of myths. The reports on the air strike on Udbina were carried in the middle of the main news program. Nobody but members of home-country clubs from Bosnia still speak about a Greater Serbia. Milosevic spends his weekends making presentations for his wife's book "Rusi izdali" ["Russian Betrayal"] in Pozarevac, and the cries that the Russians have betrayed the Serbs are becoming a generally accepted pretext for the breakdown to be expected.

[Box, p 21]

Bombs for Dudakovic

UN sources published that Serbs used napalm-bombs during the air strike against Bihac, which is more or less true since aerosol bombs are a kind of napalm bomb. What kind of bombs are they?

They are primarily intended for the destruction of people. A stainless-steel body is filled with explosives that have destructive function. The explosives used are propane, methane, ethylene-oxide, propylene-oxide, and aluminum powder.

The bomb is detonated 3 to 15 m above the target. The mixture is dispersed and the so-called aerosol cloud zone is created, which develops a temperature of between 2,000 and 3,000 [temperature scale not given]. The oxygen burns out in a 100-m high flame. The pressure and its consequences are horrible: Blood vessels burst, eyeballs fly out of the head....

The cloud of destruction adapts itself to the topography. Valleys and other normal shelters cannot protect the people from the effects of this bomb. The bomb is especially convenient for attacks against fortified defense facilities, such as bunkers or trenches.

Bombs of this type have in this war been used in the bombardment of Vukovar.

Since one of the aims of this air strike was General Dudakovic's headquarters, located almost certainly in a bunker somewhere around Bihac, the attack with a aerosol bomb was the only possible way to destroy it. On the other hand, this speaks in favor of the fact that Serbian generals know how important Dudakovic is for the Bosnian Army.

Ministers: UNESCO, FRY To Cooperate Again

LD0512132494 Belgrade TANJUG in English 1210 GMT 5 Dec 94

[FBIS Transcribed Text] Belgrade, Dec. 5 (TANJUG)—Yugoslav Ministers Slobodan Unkovic and Nada Popovic-Perisic on 4 December said that UNESCO had given the green light to its members to renew cooperation with Yugoslavia.

The ministers said cooperation would be resumed in the spheres of culture, education (including interuniversity cooperation) and science (except for technical equipment).

Science and Technology Minister Slobodan Unkovic said the United Nations Educational, Scientific and Cultural Organization Director General Frederic Mayor had termed as positive Serbia's and Yugoslavia's consistent peaceful policy and activities aimed at reaching a peace.

Unkovic said Yugoslavia's stand had helped UNESCO decide to instruct its offices, and recommend to its members, to reactivate cooperation with Yugoslavia.

Unkovic said he had met in Paris with Secretary-General of the World University Association Franz Eberhard who said the association, that includes 700 universities from 130 countries, would support cooperation between Yugoslav and foreign universities.

Unkovic, who is also a professor at the Belgrade University, said the association would invite Belgrade University to participate at a congress to be held in New Delhi in February 1995. The congress would be an opportunity to renew bilateral cooperation, he said.

Culture Minister Nada Popovic-Perisic said UNESCO favorably replied to a request for assistance in presenting abroad Yugoslavia's best cultural programs.

She said Mayor would visit Yugoslavia in January to deliver a lecture at the Belgrade University.

Yugoslavia was suspended from UNESCO after the United Nations imposed, in May 1992, comprehensive sanctions against Yugoslavia, alleging the country's involvement in the civil war in Bosnia.

The sanctions were selectively suspended in October 1994, in the spheres of international air and ferry traffic, culture and sports.

Djindjic Insists on Sovereignty for Bosnian Serbs

LD0612114594 Belgrade TANJUG in English 1125 GMT 6 Dec 94

[FBIS Transcribed Text] Belgrade, Dec. 6 (TANJUG)—Yugoslav opposition Democratic Party leader Zoran Djindjic said late Monday [5 December] that international recognition of the Bosnian Serb republic could be obtained through negotiations.

The Bosnian Serb news agency SRNA quoted Djindjic as saying the sovereignty of the Bosnian Serb republic should be recognized, even within Bosnia as a union of sovereign states.

Djindjic said a clearly defined status and recognized sovereignty of the Bosnian Serb republic were a necessary prerequisite for creating a confederal link with Yugoslavia.

He said the Democratic Party was urging the highest possible level of bonding between the Bosnian Serb republic and Yugoslavia.

Serbian opposition Democratic Party of Serbia spokesman Milorad Jovanovic said Monday the international 'contact group' has offered a vague and understated proposal for a resolution of the Bosnian crisis.

SRNA quoted Jovanovic as saying 'the idea to allow the confederate linking of the Serb republic and the Croat-Muslim federation (in Bosnia-Herzegovina) with neighboring states is legally undefined, as there is no accord on constitutional arrangements.'

Such a situation, he said, 'enables different interpretations of the peace plan.'

The contact group foreign ministers said in a statement issued after the meeting in Brussels on Friday, that the constitutional arrangements would be prepared with the consent of all sides to the conflict and having in mind Bosnia's integrity as a state.

The contact group consists of representatives of the United States, Russia, Great Britain, France and Germany.

The contact group statement also said equal and balanced arrangements would be made for all entities in Bosnia.

Kontic: 1995 Without Planned Inflation

LD0512193194 Belgrade TANJUG in English 1614 GMT 5 Dec 94

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, Dec. 5 (TANJUG)—Yugoslav Prime Minister Radoje Kontic said here Monday the country would enter 1995 without a planned inflation.

Kontic told economists at their consultative meeting that stable prices, stable dinar rate of exchange and limited public consumption expenditures were the primary economic goals in 1995.

Kontic announced a free formation or a certain liberalization of prices upon the law of supply and demand.

He said the spending had to be strictly coordinated with the economy's real capacity, and announced "administrative measures" in cases of monopolistic and speculative conduct.

The 1995 plans presume the least favorable conditions resulting from the current United Nations sanctions against Yugoslavia, said Kontic.

Kontic said the "social product" (approximately GNP) would rise next year seven percent in real terms to reach a total of 21.5 billion dinars (one dinar to the German mark).

State Obstructs Privatization of Media

AU0612123094 Belgrade BORBA in Serbo-Croatian
26-27 Nov 94 p 3

[Article by Bojana Jager: "Strictly Controlled Privatization"]

[FBIS Translated Text] Nobody in this country would publicly say that he or she is against privatization (that is only being concealed by debates on its models), nor is the official policy forgetting to underline that the Constitution guarantees the equality of state-owned, mixed or private property. However, when the independent media, just like many other firms, after all, began to transform their proprietary relations, showing that the economic independence based on such new relations means also political independence and independent editorial policies, the state decided to take its gloves off and bring things back under its control. Through changes of regulations by creative interpretations, revaluations, legal actions, and various tricks, it is attempting to restore the importance of state ownership, which, given perfidious economic enfeeblement, is supposed to bring back the independent media under the umbrella of various commissaries for positive thinking.

BORBA DD joint-stock company is being denied by the state, which has taken two legal actions against it (which-ever it may stick to eventually), with different arguments and the same goal. As a completely new company and registered as such, BORBA DD was founded in September 1991, on the basis of a contract concluded between the former founder, the Assembly of the SFRY, and the former publisher, Borba Publishing House [NIP Borba], which are referred to by the contract as the initiators of the foundation of the joint-stock company. The initial capital of the new company amounted to 480 million dinars, and, according to the aforementioned contract, the Assembly acquired a right to 20 percent of the basic stock and NIP Borba to 10 percent. Thus,

BORBA, as Ivan Mrdjen, the then director, was commenting on the issue at the time, became the first newspaper that reduced its founder, the Assembly, or any other public institution to the percentage of its participation hitherto and opened the door wide to other people or firms to participate with their capital in the joint-stock company. Today, three years later, the Federal secretary for information, Dragutin Brcin, says in that regard: "Is it fair that the state, being the founder of that newspaper, is denied a right to it, although it invested a huge amount of capital in BORBA for five decades?" In all this, he forgot to mention that the subsidies mostly went to the printing house, newsstands, equipment, and such things, while hardly to the BORBA newspaper itself.

Also possibly disputable is the second phase, when, in mid-1992, NIP Borba was added to the new stock company, as well as the way in which the private capital grandiosely entered BORBA DD. Mr. Brcin wonders today: "Who made the decision that NIP Borba should simply vanish, while the huge state capital should be given away to BORBA DD and distributed among its shareholders—that is, to a certain Mr. Mijic (who holds the greatest number of shares and is the acting director)?" In fact, the state is angry because its ownership rights do not make it possible to considerably influence the editorial policy of the newspaper, which is a cause of its more or less permanent aggravation. Today, BORBA DD involves mixed-stock capital, whereas the real influence of the state is reduced to 17 percent of shares held by the Federal Government. Because it failed either to buy shares from Mijic over the past three years (and there were such attempts), when it participated in the work of the company's executive bodies, or to sell them, the state decided to go to court and, in the name of a lawful settlement of the question of BORBA's ownership, to bring things back to the beginning, when state-ownership had made it possible to control the media. In fact, what "hurts" the state is that BORBA did not transform itself according to Markovic's famous Law on Internal Shareholding but, rather, resorted to the Law on Firms, so the new firm, BORBA DD, was formed, which the state, to its regret, may penetrate only through force.

In NIN, both processes, that of privatization and of additional capitalization, were halted. As for the first, NIN sued the Republican Agency for Valuation of State-Owned Capital because it overstated the value of the firm to the extent that the future shareholders—that is, NIN's employees, the people who used to work for NIN or those who had earned their pensions there—were simply not able to pay for their shares. For instance, Director Tomislav Dzadzic, who is entitled to the greatest share (4.8 percent) by the number of years he has worked for NIN, is supposed to pay by the end of December one-fifth of his share's value, which is neither more nor less than 9,000 dinars. As he himself comments, a mere salary is not enough for him to pay that. What happened is that the Agency played a trick on NIN, formally returning its documentation and stalling for

time, only to choose the time for the valuation of NIN, when the documentation was completed, rather than when it was submitted, so that the value of NIN turned out to be much greater.

The additional capitalization of NIN was actually halted by Zivorad Minovic, director of the Politika publishing house, so the latest events regarding the ban on the sale of this newspaper seem to be just one bit of an entire mosaic. In the investment of capital, besides the employees and three strong private firms that showed interest in that, Politika was also supposed to take part, which was stipulated by law because it is the founder of NIN. In the process of NIN's separation from Politika, an agreement was reached that Politika's share in the new company should be 10 percent, while the rest was what NIN had earned over many years of its being a part of this publishing house. The additional capitalization should have corrected this ratio to benefit NIN, with 52 percent, while rolling back Politika's share to 5.7 percent.

"Minovic obviously thought that Politika would have less obligation toward NIN if its share were smaller, while it also speculated with the possibility that the share would dissolve in the hyperinflation at the time," Dzadzic explains. Because nothing of the sort happened and, in view of NIN's doing business at a profit, small but significant, the appetites of the former great sister have increased. Minovic is now demanding 40 percent of the shares for Politika, which certainly means an increase of its influence on the weekly—whether its own direct influence or somebody else's through Politika, it is all the same. Because NIN's determination is to keep 51 percent of shares in any case, if Politika were to get as much as it demands right now, only 9 percent of shares would remain for private capital in NIN, which is a meager portion. With this attack of his, Minovic has combined with the penal banishment of NIN from Politika's newsstands, while he is also refusing to sign the contract on additional capitalization, which practically halts it, so NIN cannot transform into a mixed-stock company. On the other hand, this is also a test for the interest and courage of investors to invest their capital in NIN in such circumstances. For the time being, in terms of its transformation, NIN is neither a state-owned nor a private company. Everything is still in a process, on which the pressure is being exerted with the recognizable logic that political influence is most easily accomplished by putting economic spokes in the wheels of those who want to be independent in any way.

The Studio B Independent Television [Studio B] is an illustrative example of the Yugoslav tradition, where laws provide alluring rights, while their creative interpretation through various instructions or additional acts either restricts them or considerably changes them. In compliance with Markovic's Law on Transformation of State-Owned Capital, Studio B's employees bought 87 percent of the shares, which made up the private capital invested in the company, in relation to 13 percent of the

state capital. So it was, at least when Studio B was registered as a joint-stock company in 1991. In the meantime, the interpretation of the law changed, in terms that, by subscribing to shares, one does not automatically become their owner until they are entirely paid for. In addition, the new interpretation prescribed (regardless of the fact that the deadline legally set for the payment was 10 years) that the distribution of profit should also be made according to the amount of capital really invested, rather than according to the subscribed amount of capital. That was a key that made possible the gradual growth of the state-owned capital in Studio B. Nothing could stop it, not even the employees, who bought in 1992 all the remaining shares at once because the revaluation and the application of regulations were designed precisely to prevent the initial ratio of shares, as it was at the beginning of Studio B's transformation, from remaining at that stage, and precisely to boost the state-owned capital there. In the most favorable case, the one Studio B will propose to the Agency, the private capital would remain at 55 percent, while the state capital would remain at 45 percent—of course, if the proposal were to be accepted. This calculation, upon which the destiny of the media house and its independent editorial policy directly depends, was made before Djindjic's law, which brings about a new tremor and will disturb those relations—again to the advantage of the state-owned capital. The democrats' move affects not only Studio B but also other firms that are trying to turn private.

The respectable weekly VREME does not have to fear that one day the state will suddenly appear and lay claim to its part of shares and, thereby, to everything else. Formed in 1990 as a company with limited liability, VREME is 100 percent in private hands, which is to say, 45 percent of shares belong to the employees who launched the weekly in 1990, while 55 percent is owned by exterior investors—that is, the family of Srdja Popovic. The same clear situation, with 100 percent of private capital, is to be found in three other companies—the VREME Knjige publishing house; VREME International, based in Vienna; and VREME Marketing. In such a way, any possibility of nonpolitical pressure applied on this weekly has been eliminated. There are no fears from new regulations regarding revaluation or from the disfavor of the Agency: Simply, the state cannot torture VREME in such a way, no matter what it thinks about its editorial policy. However, it does what it can, according to editor in chief Dragoljub Zarkovic, using irregular market conditions, where everything that is private is suspicious, and expressing its disfavor through the prices of paper or office space, the unavailability of certain para-state banks, the behavior of its monopolists, and so forth—everything according to the constitutional principle that all types of ownership are equal.

Growing Cooperation Between Army, Enterprises

95BA0035D Belgrade VOJSKA in Serbo-Croatian 1 Sep 94 p 18

[Article by Slobodan Vasilic: "Combat Readiness Along With Domestic Intelligence"]

[FBIS Translated Text] *A growing number of socialized and mixed enterprises are choosing cooperation with the Army of Yugoslavia [VJ] in order to employ their unutilized facilities and modern technology. In these new circumstances, the VJ Technical Administration has invested part of the funds to retrain personnel and adapt technological documentation. Six months for a trial period and for testing the technology to repair military equipment; mobile teams to repair equipment at units; production of a wide variety of spare parts mastered; a significant role played by VTI [Aeronautical Engineering Institute], TOC [expansion not given], and scientific and other institutions.*

In the former SFRY [Socialist Federal Republic of Yugoslavia], repair facilities at all levels were systematically created and equipped in advance for the timely reception of complex and other combat weapon systems and military equipment for general repair and overhaul. The war on the territory of the former Yugoslavia disrupted the entire system, prevented its integral functioning, and left a considerable part of the existing repair facilities to the seceded parts of the former joint state. Furthermore, the Federal Republic of Yugoslavia [FRY] has been left without many important repair facilities for certain important weapon and military equipment resources and systems, such as the repair of tanks, armored combat vehicles, parts to repair combat aircraft, navigation facilities, communications equipment, and other military equipment. Also missing was the production of a considerable portion of the semifinished products, spare parts, and subassemblies without which modern equipment can hardly function.

All of this made it necessary for the new state and the VJ to modernize repair facilities and adapt them to the existing needs. The VJ Technical Administration therefore developed a project for a new strategy in developing facilities and technology to repair tanks. That document provides for increasing the existing repair facilities on our state's territory, expanding the variety and level of complexity of systems, and training new contractors, under the conditions of an embargo on imports and exports, a blockade of communications and payment transactions, and the war in our neighborhood. Since the FRY's social product had fallen considerably, and funds for this had been considerably reduced, several contradictory problems faced the Technical Administration's administrative and executive bodies—from how to equip the necessary facilities in a short time and how to restructure the VJ's and society's existing repair facilities, to increasing their capabilities and training people.

Self-Reliance

The new conditions and the new circumstances required the VJ Technical Administration to approach equipping repair facilities in a new way, particularly considering the fact that monetary resources for this were extremely limited. An analysis of the development strategy necessitated self-reliance in the FRY and a continuation of the previously planned measures for the planned and systematic equipping of the army's and society's existing facilities. The main problem was how to equip the essential repair facilities as soon as possible, without the opportunity of obtaining financing and significant capital investments, or imports of equipment and semifinished products. The repair requirements were increasing, however. A particular problem was how to organize the mastering of the general repair and overhaul of complex combat equipment.

All that was available were the numerous socialized and private enterprises that were also suffering from a shortage of money, at which production had stopped because of abnormally high inflation. They also included several enterprises that wanted to participate in repairing weapons and military equipment in order to employ their free and underused facilities and their furloughed personnel. Also "at hand" were the VJ's existing repair facilities remaining in present-day Yugoslavia.

The concept for implementing the strategy in equipping new repair facilities provided that it would be done in several phases. In the first phase of increasing repair facilities, the producers of subsystems and other significant components of weapons and military equipment would be equipped, and facilities for the general repair of their own and similar products would be developed. That phase quickly began to be carried out, and moreover successfully. Three to six months passed from the moment the contract was concluded until a repaired trial batch was turned over, depending on the complexity of the combat equipment. During that period, technical repair documentation was developed along with special tools, and the production of spare parts was mastered, including the standardization of parts and subsystems. Those capabilities were verified at the 14 October IMK [expansion not given] in Krusevac, Prva Petoletka in Trstenik, and other enterprises that even met their contractual obligations for the general repair of the M-84 tank ahead of time.

The VJ Technical Administration is constantly studying and incorporating into the study cooperation with many enterprises which, in the newly arisen situation, had surplus capacity because of a reduced market, since they had been sized for the former SFRY market, and which could refocus on repair work. They include the Nis Machinery Works and the Pobeda enterprise in Novi Sad, which did not engage in that kind of work previously. Seeing that this would allow them to utilize their existing facilities, especially the underused ones, they

mastered the technology for the general repair and overhaul of tanks, infantry combat vehicles, and other combat vehicles in record time. Since starting to work on this very complex job, they have so far repaired more than 70 combat vehicles. Furthermore, at the Technical Administration's request, they have also formed several teams for field work and repairs, which are sent out to provide assistance at lower levels of maintenance.

New Technologies and Modernization

In that way the VJ, through the systematic employment of the producers of weapons and military equipment, and also other enterprises, managed in a relatively short time to equip an entire system for repairing units' existing equipment, and spent only part of the money needed for it. The funds, actually, were used only for additional training for personnel, and for adapting the technical documentation to the technological capabilities and equipment of the enterprises. The VJ also provided some of the available special tools and offered the necessary technical assistance to train experts.

The enterprises which accepted the obligation to equip themselves to repair combat equipment showed initiative in raising the quality and technological level of repairs, and there have been cases in which they even proposed design modifications. Thus, for example, the EI [Electronics Industry] Sova enterprise in Nis, using its own forces and resources, replaced the active aiming and observation devices on the T-55 tank with new, modern passive devices. In doing so, they ensured complete interchangeability in terms of dimensions. The ranges of those new observation and aiming devices have been substantially increased. That has also ensured a continuous source of spare parts, which cannot be imported because of the embargo, and our tank drivers have received high-quality devices of a second technological generation.

In addition to enterprises' repairing combat equipment in their own shops, numerous mobile teams have also been formed to provide assistance and to work in the field at units' requests. This has compensated for a shortage of repair facilities at the basic units, while ensuring spare parts. Experience to date has already confirmed the assumption that this is a wise move, since those teams have successfully repaired dismantled non-functional parts.

Furthermore, the Cacak Technical Repair Institute [TRZ], in addition to repairing vehicles and equipment, as part of the regular procedure accepted obligations to equip itself in a very short time to repair complex combat vehicles which were previously repaired in repair institutes in the secessionist republics.

Consequently, thanks to the VJ's commitment, in organizing the repair of combat equipment, to rely on our economy's free and unutilized facilities, the technology for repairing complex systems on armored combat vehicles and tanks has been successfully mastered. For

example, for those repairs the Cacak TRZ adapted and built up facilities, improved and modernized the existing shops, and purchased new measuring and diagnostic devices and other equipment. In addition to building an engine testing station with an internal combustion capacity of up to 2,000 HP, they planned and purchased new diagnostic equipment for the fire control system on combat vehicles and anti-aircraft systems. Now breakdowns and damage are being identified without any problem, quickly and by modern methods, using laser simulators, sighting control units, computers, and optical and electronic and other units. All of this is the product of domestic intelligence, our scientific and technological capabilities, and the need to make repairs rapid and of high quality, in spite of the unfavorable conditions forced upon us by our environment.

Production of Spare Parts

The new approach to organizing maintenance and repair of the VJ's existing combat and other equipment required mastering the production of new spare parts and the rehabilitation of worn-out old ones, which is crucial in the current situation for maintaining a high level of combat readiness, since it contributes to material support for the maintenance of equipment and its repair. The previously stockpiled material reserves and the amounts of spare parts are not inexhaustible. Considerable amounts of those spare parts have been utilized and expended while carrying out combat operations in the separatist republics, and for repairing equipment after its withdrawal. A particular problem, for example, was the minimal reserves of spare parts for vehicles in the inventory that were used up during the initial period of the war, but whose producers were left outside the FRY's territory. That required rapidly mastering a wide variety and large volumes of production of those parts.

Thanks to the VJ's Military-Technical Institute, the Ground Forces Technical Optical Center, and scientific institutions in Belgrade and other cities, the production of a wide variety and considerable volumes of spare parts was mastered in a very short time. Thus, in less than six months, the Lola Holding Company in Zeleznik mastered the production of a family of caterpillar treads for tanks, combat vehicles, armored personnel carriers, self-propelled weapons, etc. That company has also mastered the production of cannon breeches for tanks. The Zemun Physics Institute has mastered the production and repair of five types of laser range finders, including a laser for the M-84 tank. It is not long until the technology for producing spare parts for tanks, the rear parts, brakes, counterrecoil mechanisms, and other vital parts will be mastered.

It should also be emphasized that the above-mentioned spare parts are being produced with the use of the most modern technical and technological processes, thus improving their tactical-technical characteristics and making them easier to maintain.

The SNO 9,000/90 system for quality control according to our standards has also been established in the system

for the repair, overhaul, and production of spare parts; this contributes to preserving the present quality that has been achieved and improving it.

Thus, at the very beginning of the implementation of the new strategy for developing technology and facilities for repairs, a high level of technical and functional operability of combat equipment has been achieved, even higher than prescribed. That is a significant result of the measures undertaken to date by the administrative and executive bodies of the technical service and by socialized enterprises, as a result of which the maintenance and repair system for the VJ's equipment has been quickly restored, perfected, and improved.

[Box, p 7]

The Next Phase

In the next phase of expanding and organizing repair facilities, the disrupted system for maintaining and repairing combat equipment will be restored, through the recruitment and training of the required personnel and the return of repairs to the framework prescribed by regulations and guidance from the technical service and the consistent establishment of a quality control system at all levels, while including military quality inspections and taking into account military and international quality control systems.

So far more than 20 contracts have been signed with key producers of spare parts and the giants of our economy for the general repair of combat equipment.

Third Army Commander Interviewed

95BA0035A Belgrade VOJSKA in Serbo-Croatian 8 Sep 94 pp 6-7

[Interview with Lt. General Dusan Samardzic by Milorad Pantelic and Dragan Petrusic; place and date not given: "Elite Military Organization"]

[FBIS Translated Text] *Successful defense entails the concentrated power of our entire national identity; combat training on the brink of what is modeled and what is real; specific conditions the constant environment for training; special concern for border units.*

As part of the established practice of VOJSKA's editorial board, our guest is the commander of the Third Army of the Army of Yugoslavia [VJ], Lt. General Dusan Samardzic, who is talking for our readers about the current situation and the prospects of the strategic group that he heads.

[Pantelic] Mr. General, to start with, please give us some of the basic information from the "ID card" of the VJ's 3d Army (combat, personnel, and materiel resources, zone of responsibility, and so forth).

[Samardzic] The 3d Army, as one of the VJ's strategic-operational groups, was formed as part of the transformation of the former JNA [Yugoslav People's Army]

into the VJ. It consists of two corps—the Pristina and Nis Corps—the Timok Division, and army units whose composition is equal to the demands of carrying out special assignments within their area of responsibility. The planned involvement of the overall personnel and materiel resources of the Army, which are very considerable, ensure the preservation of the country's territorial integrity and sovereignty.

The 3d Army's zone of responsibility is in a "hot" area, in which Kosovo and Metohija are particularly significant, and it borders upon some neighboring countries that are not exactly friendly to us, where, among other things, there have been several provocations and various incidents. Our army's units, however, are ready to act decisively at any time and ensure a peaceful and safe life for all our citizens.

Even though our modern combat systems are limited, we possess substantial combat equipment, which, along with the training of our commands and personnel to use them expertly, are a guarantee of successful resistance to any enemy in this part of the Federal Republic of Yugoslavia [FRY]. We have confirmed this in many exercises and verifications of combat readiness, when our officers and soldiers showed a high degree of professional training.

[Pantelic] In your opinion, what should our defense organization do first in order to meet the requirement of the reassessed geostrategic position of our region as the "doorway" of the Balkans and Europe?

[Samardzic] As we know, wars in Europe have usually started or happened in this Balkan region of ours, and everyone wanted to subjugate and seize this "doorway" in some way. Unfortunately, that is also happening now. The overall policy of the current world powers remains the same, and is even more aggressive. That is why we, as an eternally free and proud people, as confirmed by our ancient and modern history, have been forced to defend ourselves again. Since we are alone now, that defense has to be the object of the concentrated power of our total national identity. That is why we have to prepare ourselves well, and do everything possible to repel the enemy and prevent a surprise. That basic concept of defense requires a military organization that will be highly professional, with a smaller but elite, highly mobile, and supremely trained composition, capable, together with other elements of society, of successfully opposing any aggressor.

[Pantelic] For a year and a half now, the soldiers and officers have been trained in accordance with the new experimental program. What are the 3d Army's experiences like, and what are your unique characteristics in that regard?

[Samardzic] We are entering a phase when we have to analyze past experiences in training and eliminate certain shortcomings in that program. It is certain that to a great extent the present program, where the training

process has been well planned and organized, ensures achieving the goals of training officers and soldiers. It is very essential, in my opinion, that it permits a great deal of autonomy and initiative, and thus also creativity on the part of lower command levels.

With respect to the unique characteristics of training in the 3d Army, they originate primarily in the well-known political and security characteristics of its zone of responsibility, which are the most complex in present-day Yugoslavia. Certain parts of that zone are still potentially crisis areas, which requires continuous high combat readiness for most of our personnel, i.e., that they be ready for immediate use in combat. It is therefore also logical that the emphasis is precisely on those personnel, on their accelerated specialist fire and tactical training. All the unique features are contained in the fact that that training is constantly on the edge between what is modeled and what is real! That can be verified very easily with every one of our officers and soldiers, especially in the border zone.

[Pantelic] Mr. General, what has been emphasized this year in the 3d Army's work with respect to combat training as a lasting emphasis and the combat readiness of your personnel?

[Samardzic] I have partly already answered that question. The emphasis is consequently on training commands and officers (professional and reserve) to train units in peacetime and to command in wartime. The training of special units, and also all units in carrying out combat operations in specific conditions is the permanent priority task of the 3d Army Command, the contents of which have also been inspired by experiences from the war on the territory of the former SFRY [Socialist Federal Republic of Yugoslavia].

In view of the length of the state border in the Army's zone, and especially the conditions for securing it next to Albania and FYROM [the Former Yugoslav Republic of Macedonia], we are devoting exceptional attention to training the border units, in regard to both combat and securing the border regime.

Even in conditions of limited material resources, we did not neglect the training of the reserves (we have put 53 percent of the Army's total reserves through various forms of training). The emphasis has been on training people with particularly significant specialties, and special-purpose units. We achieved the best results in hitting targets in the air with the anti-aircraft ARJ [rocket artillery unit].

I want to emphasize that we made one of the priorities in the 3d Army's work the verification and corresponding assessment of the results of the work and training of all the officers.

Young and Enthusiastic

[Pantelic] Tell us how the process of transforming the VJ is going in the units, commands, and institutions of the

3d Army, where you have made the most progress, what you are particularly insisting on, and what the basic prerequisites for success are?

[Samardzic] The transformation process has assumed a natural flow in our case, with clear deadlines, goals, and tasks. In the phases to date, we have completed the formation of commands and units, the redeployment of units in accordance with the new conditions in the nearby and broader environment, and also equipping and re-arming the army. We have gone the furthest in realizing our place and role in this society, and so we have already become an army with a certain new quality, numerically smaller, but select and ready to carry out all missions. We have oriented our combat training programs in the spirit of the new defense concept and doctrine. It is hard to determine where we have gone furthest in the transformation, but I think that our primary assets now are youth, elan, and enthusiasm, based on new interpersonal and professional relationships.

[Pantelic] Professionalization is one of the pillars of the VJ's transformation, and of building its combat readiness. How is that process going in your units, and what sort of experiences have you had in this regard?

[Samardzic] We accepted the professionalization process as a commitment with no alternative, realizing that the new military organization had to have modern equipment, professional training, and effectiveness, always serving the interests of the state and the people, but that at the same time it had to be outside and above political developments in the pragmatic sense of that word. The multidimensional professionalization process also simultaneously entailed major changes in organization, command, personnel policy, and the morale sphere, which required and still requires great efforts by the officer corps.

I have already emphasized that the experiences from the war on the territory of the former Yugoslavia are invaluable to us, as well as the traditions from the numerous wars of the Serbian and Montenegrin peoples. The most valuable thing is that the key part of the 3d Army's officer corps has realized the essence and the full complexity of the professionalization process, which is the basis precondition for it to be completed successfully—to our last soldier—and then to become the basic lever and principle of life and work in our units as a whole.

Breakdowns Reduced to a Minimum

[Pantelic] How are the soldiers responding to performing their military service, how are the military conscripts responding to the exercises, and how are contract soldiers responding to the competition for filling certain jobs in your army?

[Samardzic] I can be fully satisfied with the recruits' response to performing their military service, both with their admission to the 3d Army's units and with the

drafts for the VJ by military-technical bodies in our army's zone of responsibility (in the past year the response has been close to 100 percent). In the past we have therefore held several meetings with representatives of the authorities and coordinating bodies, and popularized the life and work of Army members in the public news media, which has yielded these results. The military conscripts' response to the military exercises has also been good. I expect that in view of the measures that we are taking and society's economic stabilization, in the future it will be considerably better.

So far the admission of contract soldiers has been around 45 percent of the units' requirements. The best response to admission has been in the Nis and Leskovac regions; it has been considerably lower in the Zajecar region, and poorest, naturally, in the area of Kosovo and Metohija.

[Pantelic] In conditions of an extreme material shortage, how is combat training being carried out, new supplies procured, equipment repaired, and other urgent work from the standpoint of the country's defense performed?

[Samardzic] The crisis and the lack of money in society have also affected the VJ, in all of its elements, and thus naturally in the military training process as well. In the conditions of a limited material base for all industries, we are overcoming that shortage in training by increased efforts from people, skilled planning, increased financial discipline, better and more professional preparations, and also by grouping soldiers on the tactical level, and in certain specialties on the operational level as well. Furthermore, units' stay in the field and in camps is shorter, but training is more intensive, and the call-up of the reserves is more selective. We are devoting particular attention to preparations for firing, and so with a lower consumption of ammunition, we are also achieving better results.

With all the restrictions, the procurement of new military equipment is proceeding at the planned pace, adapted to current conditions. That is why we are devoting particular attention to basic maintenance and repair of the equipment already in existence, starting with material and technical resources, construction facilities, personal equipment, etc., and we have good results in this. In that way we are ensuring that breakdowns are minimized.

[Pantelic] Under the conditions of the blockade and the shortage of money, how is the soldiers' and officers' standard of living being taken care of, and how are you solving the accumulated housing problems?

[Samardzic] In addition to training, taking care of the soldiers' and officers' standard of living is one of the basic tasks of all command levels in the 3d Army. Currently the standard of living is rising, although it is still below the necessary level. We also have to be satisfied with that standard of living, however, in view of our recent past, if we bear in mind the current economic situation in the country. I must emphasize that the

standard of living of the majority of 3d Army members is objectively more than modest, especially for military personnel who have come from the secessionist republics of the former SFRY. Most of their families came without any of their furniture, and are in private housing, paying high rents, without any immediate prospects of obtaining an apartment.

The housing problem in the 3d Army is very unfavorable; currently about 3,200 applications for apartments have not been met, and in the Nis garrison alone more than 1,100 members of the Army are without any apartments. Also, the poor influx of monetary resources is considerably prolonging the deadlines for completing the construction of apartments that have been started. A few days ago, people moved into 96 apartments in Nis, and by the end of the year we expect the completion of another 282 apartments in the 3d Army's zone, but as you see, that is far from meeting our needs.

In conclusion, let me mention that through the judicial authorities, we have taken measures to recover some of the illegally expropriated apartments in the military inventory, and distribute them to our homeless people, and we have also undertaken something on our own, by adapting some previously insufficiently used spaces and facilities.

NIN, POLITIKA: Ownership Not Controversy

AU0612094994 Belgrade NIN in Serbo-Croatian 2 Dec 94 p 27

[Vesna Kostic report: "Ownership Is Not Controversial"]

[FBIS Translated Text] There are no unsolved ownership disputes between NIN and POLITIKA. The attempts to draw attention to property issues in the controversy that arose between NIN and POLITIKA can only be interpreted as ignorance or the bad intention to hide the real reasons of the dispute.

As a completely new company, NIN founded the Workers' Council of the company—which is the POLITIKA Company—based on the Law on Companies and the By-Laws of the POLITIKA Company. This means that NIN has not become an independent legal subject by seceding from the POLITIKA Company so that there was no division of the property that could have caused a dispute over ownership.

When registering with the Register of Companies as a partnership with limited liability, founded for an unlimited period of time, NIN presented its initial balance in which its (assets) capital amounted to somewhat more than 2 billion Yugoslav dinars of that time. On the credit side (on the side of liabilities) it was stated that 90 percent of its initial capital is public capital, and 10 percent POLITIKA's investment. In other words, the POLITIKA Company transferred to NIN the complete initial capital because it created a new company, and it was regulated by an agreement on mutual relations that

the transferred public capital (90 percent of the initial capital) need not be paid back. The agreement was signed by Zivorad Minovic, the POLITIKA manager, and Dusan Velickovic, the then acting director of NIN. This means that NIN was granted the right to control 90 percent of its initial capital (including the exclusive and permanent right to its name, to its editorial policy, publishing and selling of NIN) and POLITIKA 10 percent. Their participation in decisionmaking (election of Board of Directors members and the number of votes) stands in relation to this proportion. This is where the story about the property relations between NIN and POLITIKA ends if we neglect the fact that POLITIKA has not fulfilled some of the obligations it took on by the agreement on mutual relations (as for example that it should find new premises for NIN, for which reason NIN acquired the right to register the existing premises in its name).

The present position of NIN as a company with limited liability allows the possibility that it be returned to POLITIKA, regardless of whether it is the POLITIKA Company or the POLITIKA daily itself. It is possible to return it only if the Board of Directors passes such a decision, or if the company is liquidated.

The immediate cause of the controversy, which lead to the one-sided decision by POLITIKA to give up its services of selling, preparation and printing of NIN, is, in other words, not "the unsolved ownership issue," but the so-called increase in capital. This euphemism practically means the phenomenon known in the Western world as the additional issue of stocks (shares). It is performed either through the mediation of the capital market (this model dominates in England and the United States), or by direct selling of stocks to a selected buyer (which is common in Germany). NIN wanted to obtain additional capital by applying the latter model. The decision when the stocks would be sold should have been passed by the Board of Directors by a majority of votes. When the issue of the stocks started, POLITIKA did not show any interest, but later on it expressed the wish to retain its 10-percent participation in the NIN capital stock by investing additional cash, (its participation would have otherwise been reduced because of the increase in the NIN initial capital through selling of stocks). The majority of the NIN Board of Directors members was ready to fulfill this wish although the effective agreement and its stipulations do not grant POLITIKA the right of first refusal at issue of new stocks.

NIN decided to issue new stocks in order to improve the present working conditions (acquisition of computers, laser printers, modems for text transmission) because the present, old-fashioned equipment cannot be found anywhere else in the world. Apart from that, the new technology would reduce the printing time and improve quality while at the same time decreasing costs. Guided by this aim, the members of the NIN Board of Directors unanimously (that is including the POLITIKA Company member) selected the future co-owners, bearing in mind

that no investor should be allowed to buy the majority of stocks if the paper is to remain independent. For who knows what reason it was later on established that this decision opposed the wish of the POLITIKA Company leadership.

There are attempts to solve the matters by force now since they could not be solved in an amicable way in time.

Serbia

Commentary Views U.S. Foreign Policy Change

AU0612085194 Novi Sad DNEVNIK in Serbo-Croatian
1 Dec 94 p 5

[Commentary by Vlada Zivkovic: "The Return of Logic"]

[FBIS Translated Text] In recent days the duel between Washington and Sarajevo against Pale has been predominant on the political stage, where a solution to the war in former Bosnia-Herzegovina should be found. However, this threefold game played on the edge of the abyss, with the Bihac pocket threatening to turn into the epicenter of a much wider war inferno, seems to be coming to an end. The rhythm of the war drums orchestrated by a remote and clumsy hand is subsiding. The sensational news is coming from the United States that its government is ready to make a real Copernican turn in its foreign policy on Bosnia and support the right of the Serbs from across the Drina to confederate with the mother country.

If this news proves to be true, it will be a sign that the military diplomacy in the former Yugoslavia has finally reached a watershed and that a political peace solution based on logic is now forthcoming.

It should be remembered that long before this announced Columbian discovery, that is, before the recognition of a unitary Bosnia as well as throughout the unfortunate war, our country was warning all the time that the central part of the former Yugoslavia requires a rational and logical solution, an institutionalized rather than declarative equality of all three peoples there.

The internal balance to the Bosnian federation can be ensured only by symmetry, and it seems that only now is the United States accepting this. Which means that Serbs and their state, the Srpska republic, as well as the Federation of Muslims and Croats, must have a right to form a confederation with their respective mother countries without any preference, which also means that the Muslims will thereby finally achieve their own state. This three-way allocation turns Bosnia into a community, a sort of buffer-zone between the two mother countries of two peoples, which will also guarantee the union, while the union will guarantee equality and statehood to its two member-states and nations. This is the only possible way to ensure Bosnia-Herzegovina's existence outside the former Yugoslavia and our country

has expressed its support for this twice so far (with the Vance-Owen plan and the plan of the Contact Group). Which means that it is precisely the FRY [Former Republic of Yugoslavia] that has been issuing warnings all the time that the profound transformation of Bosnia-Herzegovina is the price for its departure from the former federation.

In the past few days, when the language of artillery has again overpowered the language of reason, it has seemed that our country, together with Russia, has made a decisive contribution to the continuation of the search for a peaceful solution. Russia has started a diplomatic offensive, inspiring the leading states of Europe to put an end to the measured military cutting of the Bosnian Gordian knot. The FRY has not allowed itself to be dragged into it by the centrifugal force of war and thereby frustrate its basic goal—the expeditious accomplishment of peace. To this challenge Yugoslavia has given a measured answer, although there have certainly been hawks who expected an overemotional reaction that would have tightened the noose around the FRY again.

A series of meetings with Serbian President Slobodan Milosevic confirms this: In quite a short time Belgrade has been visited by the mediators in the peace process, President of the Serbian Krajina Milan Martić, and Russian Foreign Minister Kosyrev.

The visit by the head of the Russian diplomatic corps has strengthened the close positions of Serbia and Russia regarding the settlement of the Bosnian crisis. The importance of maintaining that position is proven by the relatively close attitudes of France and Great Britain, and particularly the most recent announcement of the new U.S. policy on Bosnia.

If this announcement is implemented, the obstacles in the path of peace will be removed at great speed. For the first time the option to accomplish different parties' rights to self-determination by a compromise will be given a chance, instead of the denial of that right, which has applied only to the Serbs so far. The question of the sense of the two-year denial of that right, which belongs to the most fundamental principles of the Western civilization, may also become the question of the collective conscience of the most powerful Western countries, since everybody who will ever learn about the story of the Balkan invalid, Yugoslavia, will demand an answer to the logical dilemma: Why was the FRY under sanctions for two years?

Of course, more important than the confession that will soon follow is that for the first time a logical solution for the Bosnian drama has been given a chance, instead of the previous ultimata. Western analysts have learned the lesson from all this that it was not so necessary to test the limits of colonial methods in the former Yugoslavia, because they already knew then that in the countries of the Third World, whose borders are straight, having been

drawn with a ruler, they had implanted a seed of evil probably for ever: Ethnic conflicts and consequently constant wars.

Bosnian Serbs To Reexamine Peace Plan Process
LD0512181694 Belgrade TANJUG Domestic Service in Serbo-Croatian 1702 GMT 5 Dec 94

[FBIS Translated Text] Belgrade, 5 Dec (TANJUG)—Serbian President Slobodan Milosevic today received a delegation of deputies from the Srpska republic at their request as they wanted to be informed about the current situation and the peace process regarding former Bosnia-Herzegovina.

According to a statement issued after the talks, the development of the peace process was positively assessed during the talks.

Taking into account that the international community has accepted a comprehensive approach to the peace plan—meaning that the plan cannot be implemented partially, i.e., that any territorial division cannot be implemented before the constitutional agreement is adopted and there is a final territorial demarcation based on bilateral negotiations between the Muslim-Croat Federation and the Srpska republic—it is clear that the threat has been eliminated that the Srpska republic could be outmaneuvered by the Muslim-Croat Federation if it accepts the plan.

Thus, Alija Izetbegovic's efforts to create a unitary Bosnia are becoming less important, regardless of the sympathies expressed by certain respected members of the international community for everything his fundamentalist regime aspires toward.

The delegation of deputies to the Srpska republic Assembly believes that—if these interpretations by the respected members of the Contact Group were not disputed within the group as a whole, which is the relevant body conducting the peace process on behalf of the international community—then the Srpska republic Assembly should examine the possibility of accepting the Contact Group's plan and order the Srpska republic delegation to immediately resume the negotiations.

The negotiations would concern:

- Final territorial demarcation on the basis of bilateral exchange, the priorities of which would be defined by the Assembly;
- the constitutional solution, to be reviewed by the Assembly in its draft and proposal stage.

The implementation of the Contact Group's plan, in regard to the above, could commence immediately upon the adoption of the constitutional solution, provided simultaneous work is done on the drawing up of a military arrangement and measures, as well as on guarantees for UN security measures and the protection of the civilian population upon the cessation of military operations.

The Srpska republic assembly deputies' delegation, convinced of the existence of new elements and conditions for reaching a final peace, advocates the signing of an immediate cessation of hostilities on the entire territory of former Bosnia-Herzegovina.

At the end of the meeting, the Srpska republic assembly deputies asked President Milosevic to help in the reestablishment of telephone links with the Serb Republic, the joint statement by the delegations of the Srpska republic assembly deputies and the Office of the President of the Republic of Serbia said about today's talks. The statement was signed by Aleksa Buha, Srpska republic assembly deputy, and Goran Milinovic, the head of the Office of the President of the Republic.

Albanians Charged With Illegal Security Center

LD0512193494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1728 GMT 5 Dec 94

[FBIS Translated Text] Gnjilane, 5 Dec (TANJUG)—The District Public Prosecutor in Gnjilane has submitted a demand for an inquest into the case of 14 individuals of Albanian nationality who are suspected of committing the criminal act of threatening territorial integrity under Article 116, paragraph 1 linked to Article 136 and 138 of the Penal Code of Yugoslavia.

Momcilo Antic, acting district public prosecutor in Gnjilane, told a news conference today that all 14 suspects were to spend 30 days in detention pending an investigation.

The first three arrested individuals—Halit Redzeqi, a former commander of the Secretariat for Internal Affairs; Enver Ramizi; and Sinan Redzeqi—started as early as 1992 to carry out activities in the context of establishing an illegal security center by operating within an independent trade union. Their actions had been ordered by their superiors, Avdijs Mehmedovic and Januz Trsteña from Pristina, the seat of the main headquarters of the illegal government of the so-called republic of Kosovo.

At that time Halit Redzeqi was appointed head of the security center. At the same time heads of the public and state security departments in the neighboring municipalities of Vitina and Kosovska Kamenica were also appointed. Redzeqi's aides, Enver Ramizi and Esad Marovci, were in charge of police branches, i.e. operational duties, something that entailed organizing illegal meetings with the aim of gathering information about the activities of regular police units and the Yugoslav Army and the like.

One of the most confidential tasks of this group of defendants was to draw up liquidation lists of distinguished Serbs and Montenegrins from this area, Gnjilane Antic said.

High Expenditures Threaten Economic Program

95BA0038B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 31 Oct 94 pp 12-13

[Article by T. Nikolic: "Public Expenditure: A Government That Costs Too Much"]

[FBIS Translated Text] In spite of the introduction of the super dinar, the government of the Republic of Serbia has persistently responded to all warnings of economists and businessmen about the excessively expensive machinery of the state by repeating that its great contribution to realization of the Program for Monetary Reconstruction is that a reduction of public expenditure has been "accomplished." In the face of those assessments, the figures of the Settlement Agency cautioned that we are threatened with the danger of public expenditure "eating up" the social product, because its share is approaching an unthinkable 60 percent.

These figures indicate that in the period January-September of this year nearly 6 billion new dinars were collected for total public expenditure in Serbia, and in September alone 958.4 million dinars, which is 3.7 percent more than the August amount (923.9 million dinars). However, in the July-September period of this year 2,682.6 million dinars were collected, and that sum is 82.5 percent greater than all the money collected in the first half of 1994, which means that the monthly collection of public revenues is approximating the sum of 1 billion dinars, that is, it is almost 85 percent greater than the average monthly amount achieved over the period January-June 1994.

Large changes have occurred when we look at particular forms of public expenditures, which is especially evident with the share of the turnover tax, which in the period January-September 1992 represented 60.8 percent of public revenues when the social security contribution is excluded, but now only half as much. In addition, there is now a considerably higher share of funds obtained by collecting various fees (6.5 percent), which have come close to the revenues collected on the basis of excise taxes (8.1 percent), or, on the other hand, revenues from customs duties and special import charges (7.5 percent).

In addition, it is evident that the most abundant sources of revenues for public expenditure are the turnover tax and revenues from the personal income tax. The corporate income tax, on the other hand, ranges around 1 percent of gross collections (when the social security contribution is excluded), which means that taxes on earnings are very abundant channels of budget resources.

Because the end of the year is approaching, let us see what we can expect from the ratio between public expenditure and the social product, because it is already clear that in the period January-September public expenditure in Serbia took 48.8 percent of the estimated social product, which could be about 16.2 billion dinars for all of 1994.

Because public expenditure in Serbia over the period January-September 1994 reached 6 billion dinars (5,933.8 million dinars), its share in the estimated social product for that period (in alternative versions) looks like this: in the pessimistic version, 48.8 percent; in the moderate version, 46.3 percent; in the optimistic version, 43.7 percent; and in the superversion, 41.6 percent. If the government of Serbia still sticks by its estimate that public expenditure has dropped from the original 52 percent to 41 percent, it follows that this was made on the assumption that the social product in Serbia achieved over the period January-September was 14.25 billion dinars, which corresponds to the superversion of the estimated social product at the level of the Federal Republic of Yugoslavia, which is 20 billion German marks [DM]. However, this is unrealistic, because industrial output continues to be below last year's.

As for this entire year, we can expect total public expenditure in Serbia, unless something is done, to reach the sum of 9 billion dinars, which is 55.6 percent of the social product up to the level of 16.2 billion dinars. Nor is that all. Even in the superversion, that share climbs to 47.4 percent of the social product, so that there is no question of any kind of reduction of the price of the government machinery. The government continues to be expensive, because every month more than 1 billion dinars have to go to it, aside from the social security contribution. Our economy cannot support that, and so all that is left is the most undesirable version—that public expenditure again be financed from primary note issue, that is, from inflation.

Chamber of Commerce Assesses Economic Program

95BA0038A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 24 Oct 94 pp 12-13

[Article by R. Ursic: "News From the Unconscious"]

[FBIS Translated Text] The shortages of vital products, the increasingly frequent sale of domestically produced products for foreign exchange, and then pegging and high interest rates, and the total costs of credit—which have been especially pronounced late last month and so far this month—led the Presidium of the Assembly of the Serbian Chamber of Commerce [PKS] to propose in its 18 October meeting, expanded on this occasion to include directors of a certain number of firms and commercial banks, priority activities of enterprises, banks, and government agencies in correcting these deviations in carrying out the Program for Reconstruction of the Monetary System and the Country's Economic Recovery.

The total money supply is not excessively disturbing, they believe at the PKS, but they nevertheless suggest to the state that in a coordinated effort with the NBY [National Bank of Yugoslavia] it helped to reduce the cash in circulation and speed up development of the

primary and secondary securities markets; the commercial banks are supposed to support this by encouraging settlement by credit transfer. And the Federal Government is issued an unambiguous recommendation that it urgently adopt a decision to vacate the Decision on Conditions and Procedure for the Sale of Certain Types of Domestically Produced Equipment and Consumer Goods and the Offering of Tourist Services for Dinars Originating From the Sale of Foreign Currency. The other two recommendations to the state are that it should guarantee preservation of price stability and the exchange rate by economic measures, and also that it ensure the enforcement of regulations, financial discipline in particular, will not, it is true, encounter opponents, but the wording is so very vague that they can hardly be called binding.

For that reason, they dedicated themselves in the PKS more to measures that ought to be carried out by enterprises and commercial banks, and these, put briefly, come down to refraining from speculation. Saying that the motives that should encourage businessmen and bankers—when the law-governed state is not functioning and the infrastructure of the market has not been built, are to eschew profitable speculation and turn to the legal method of doing business, which, to be sure, is less lucrative, Vlado Stojiljkovic, president of the PKS, said that stability of the currency and prices are a paramount interest of firms and banks, at least those "authentic" and "honest" ones.

In the last years of self-management, we recall, the "arguments" that echoed—in the absence of better ones—were that the concept of socialist worker self-management was extremely good, but, alas, the level of consciousness of the workers, destined not to be self-managers, was not at an adequate level. With a striking similarity, as the stabilization program is carried out in what we sincerely hope are not the last days, we have recorded numerous assessments to the effect that the program is splendid, but it is being dangerously threatened by producers, merchants, bankers, ..., who lack "consciousness." If the situation continues to escape control, the list of those who are "unconscious," it seems, could instead be lengthened to include individuals who are attempting to make the "market basket" lighter by buying cheaper, better-quality, foreign, or simply scarce products at "flea markets" than with the names of politicians, who presumably are the wielders of power and the repositories of responsibility.

The Defense...

The fact that the demand for foreign exchange exceeds the supply, says Ljubisa Igic, general director of the Bank of Belgrade, analyzing the phenomenon of pegging, is a consequence of exhaustion of the model of "squeezing" foreign currencies out of individuals and of their growing demand for goods paid for with foreign exchange. The earmarked approval of funds from the country's foreign exchange reserves exclusively to import production supplies is one of the solutions, Igic believes, but only a

growth of exports and liberalization of foreign exchange transactions constitute a lasting solution.

Demand exceeds supply on the credit market as well is the assessment of the top man at the Bank of Belgrade, and the reason for that is in turn the shortage of working capital in the economy, a situation that should be corrected with at least 300 million dinars of additional credits. The lending potential of the commercial banks, however, is not sufficient, because in the absence of savings deposits practically the only source of funds are sight deposits, that is, deposits of the state and the economy, which, unfortunately, have been fluctuating in an unprecedented manner. A partial solution is a more selective and restrictive stance of the commercial banks toward their own customers, Igic believes, adding, presumably with good reason: "In spite of all the pressures!"

He is also the source of the information that the NBY and the largest commercial banks in the country—which hold three-fourths of total bank capital and which are said to have been adhering so far to its recommendations on the maximum level of interest rates—judge that the optimum interest rate at this moment ranges between 12 and 15 percent per annum. That, it is true, is a relatively high level, Igic says, but it does, however, have its justification because of the collapse of saving, which is otherwise the principal source of financial resources of banks, and in the extremely low level of self-financing of a majority of domestic firms, whose working capital disappeared without a trace in the earlier years of hyperinflation.

Savo Knezevic spoke about the shortage of vital consumer goods on the domestic market, in which the shortage of vegetable oil (for the umpteenth time) is particularly urgent. Since 24 January of this year, the managing director of Dijament of Zrenjanin was explicit, not a single oil mill has applied for a rise in the price of oil. What is more, the largest of them has produced and delivered a 50 percent larger quantity of oil than the objective needs of the population in the previous two months. Dijament, Knezevic says, is willing to continue cooperation at that rate with the Directorate for Commodity Reserves and "honest" merchants who will adhere to the agreed price of 1.7 dinars per liter. The inevitable question of why, then, is there a shortage of this product, however, received the not very convincing response: "I do not understand either!"

The trade sector, just like the producers, rejects responsibility for the disruptions that have occurred: Merchants are against speculation and are zealously supporting the producers, Blagomir Jovanovic, general director of Centrotexil, said on their behalf.

The conclusion, then, is inevitable that "black hole" is a much more suitable name for the missing link in this chain than the "gray economy."

...And in Recent Days?

The initiative of the PKS, however touchingly naive and therefore completely harmless it might appear to the

gullible—conceals, however, several mistakes in the conception of defense of the stabilization program.

First, it is disturbing that the chamber, in advocating economic intervention by the state, is at the same time advocating the role of a "commissar" for the commercial banks, which "in granting loans to firms should be mindful of their behavior in the area of prices, payment procedure, the exchange rate used..." rather than exclusively their creditworthiness.

Second, the private operators are almost always put in first place among those who resist the program, which could compromise privatization in a lasting way.

Third, there is a quite visible tendency toward immense protection of domestic production from imports, which goes against foreign experiences in combating local monopolists, which Vlado Stojiljkovic vividly describes as "firms which pass on 50-percent price increases with ease."

Fourth, and most important, the euphoric insistence on the responsibility of the firms and commercial banks in stabilizing the disturbed economic situation could provide a decisive alibi to government agencies, which obviously are not sufficiently willing to tackle the key structural problems of the economy and of society as a whole, so that instead of the market we want and have proclaimed, we are actually getting "rational" supply, production by the command system, low prices, and empty stores.

If this last gloomy suspicion turns out to be true, we are looking at the last days of the Program, which was (over)ambitiously called the Reconstruction of the Monetary System and Yugoslavia's Economic Recovery.

Montenegro

Dismissals for Noncooperation in Oil Smuggling

95BA0043A Belgrade VREME in Serbo-Croatian 7 Nov 94 pp 25-26

[Article by Velizar Brajovic: "The Prime Minister on the Oil Spot"]

[FBIS Translated Text] Nikola Spahic, chief republic inspector for water management, and Zoran Knezevic, chief republic inspector for the environment, refused to take part in the proceedings of a commission fixing sites for transshipment of petroleum on the shores of Lake Skadar and the Bojana River. Zoran Knezevic applied for severance pay of 24 months and terminated his employment by agreement, while Nikola Spahic was relieved of his position and fired the same day. Spahic is probably the only state employee of Montenegro that the state has dealt with in that way since 1948.

The legality of the action of the Montenegrin Government and the Ministry of Agriculture, Forests, and Water Resources is being assessed these days by the

judicial panel of Ranko Vukovic in the Basic Court in Podgorica, where Spahic has filed a complaint against the state of Montenegro, demanding that he be reinstated. Meanwhile, Ana Misurovic, minister for the environment, pronounced a kind of verdict in the case of Nikola Spahic back in late July, when she said: "The consequences being borne by the chief republic inspector are the result of his strong character and his deep professional and moral principles, which he has displayed in his many years of work, not the consequence of the party to which he belongs." That "judgment" by Mrs. Misurovic, the minister, is in the running for the most frequently quoted statement by any minister (it is interpreted indirectly as the judgment of a government), but it did not help Chief Inspector Spahic, who had to leave "by order from above."

The Disruptive Factor

The commission to choose a new inspector will have to extend its examination to the application of Eng. Nikola Spahic, who has applied in the publicly advertised competition. The advertisement was published on 28 September, but, judging by the unofficial reports, the chief inspector still has not been chosen. Nor in turn do we know whether the selection is being postponed because of the judicial proceedings and the numerous demands to reinstate Spahic in his previous position; meanwhile, it has been learned independently that an inspector will be chosen who will not be a "disruptive factor." That directive has motivated many state employees of Montenegro to say one thing in private and to dictate something else in decisions which deprive Spahic of all rights. That has been the behavior of Filip Vujanovic, minister of justice, and Borka Tatar, chief administrative inspector.

Groups and Commissions

Nikola Spahic's troubles began just when the sanctions of the international community were imposed, forcing Montenegro to obtain smuggled petroleum from Albania across the waters of Lake Skadar. This was done in a very primitive way, the oil spilled into the lake made an oil spot, and it threatened the hazard of a major accident. This in fact occurred in early May, when the Montenegrin "oil industry" was shaken by an explosion at one of the largest transshipment points—Plavnica, not far from Podgorica. No one has ever established how much oil spilled into the lake at that time. Nikola Spahic has been constantly issuing warnings about all this, filing charges, issuing decisions, making reports to the Security Center, but he was unable to halt the oil fever which seized all of Montenegro, the government most of all, which with the earnings from the smuggling of oil has been filling the state budget, but also the treasuries of various private firms, which, as usual, are tied by an umbilical cord to the top leadership of the government.

After the accident at Plavnica and several other incidents, the Montenegrin government decided to change

the conditions under which the oil trade takes place across the river. This is confirmed in fact in the response to the complaint of Nikola Spahic by Zeljko Tomkovic, deputy basic prosecutor in Podgorica, who in this court case, by authority of the state prosecutor, is representing the Republic of Montenegro, that is, the Ministry of Agriculture, Forests, and Water Resources: "It is indisputable that Milo Djukanovic, prime minister of the Republic of Montenegro, formed a working group consisting of Asim Telacevic, deputy prime minister, Miodrag Gomilanovic, minister of energy, Predrag Goranovic, minister of finance, Ana Misurovic, minister for protection of the environment, and Nikola Pejakovic, minister of internal affairs, to seek out ways and opportunities for overcoming the problems that have arisen on Lake Skadar in connection with the transport, shipment, transshipment, storage, and so on, of petroleum derivatives from the People's Republic of Albania, from the standpoint of minimum impact on the ecosystem of Lake Skadar and the Bojana River, safety for human life and health, and protection against fire."

That commission made up an intersector group, which in turn formed a commission with specific tasks (on 27 May 1994), and the latter was by 31 May to present all data concerning new sites for transshipment and storage of oil. And when Veselin Sljivancanin, assistant energy minister, read the decision to form the commission for choice of sites, and then announced that the decision could be seen only by the chairman of the commission, "so that it could not become public," Nikola Spahic and Zoran Knezevic announced that their participation in that commission was incompatible with the nature of the work they did. "I do not wish to take part in the work of this commission," Spahic said, "because I feel that I would thereby be denying everything I have advocated and fought for for 15 years, and I would also jeopardize my status as chief inspector." Sljivancanin warned him of the possible consequences of such a stance, to which Spahic replied that he was aware of all that, but he could not act otherwise.

Ministerial Insomnia

Djuro Perovic, chairman of the commission, also told him "that the powers above were angry at him," but also that he would have done the same thing if by some chance he had been chief inspector for water management.

On 16 June, Nikola Spahic conveyed all this in a letter to Prime Minister Milo Djukanovic, warning that the transport of oil was a direct threat to wells in the locality Lisnabori (on the shore of the Bojana), which is the source of drinking water for Ulcinj. The prime minister was also informed that any transport of oil in the watershed threatened pollution and grave consequences.

And when this issue was raised in the Montenegrin parliament on 28 June because of the chaotic situation on the lake, and it was even asked whether it was true that the two chief inspectors of water management and

the environment were under suspension, Prime Minister Djukanovic said that the deputies would examine the report on pollution of the lake when he so decided and that the inspectors were not awaiting dismissal, but had been dismissed, and the Assembly could not interfere. It turned out, however, that Spahic was relieved only on 21 July, and was discharged that same day, on grounds that he had refused to do a job of particular interest to the republic and had also refused a task assigned him by his immediate superior.

The decisions contain one thing, but what Nikola Spahic was told on 22 July 1994 in his office, in the presence of Vlatko Dubak, deputy minister, by Radivoje Rasovic, minister of agriculture, who in fact signed the decisions, is something altogether different. "I did not sleep the entire night," Rasovic said at the time, "Milo Djukanovic ordered me to write a proposal for his dismissal by Thursday and not to come to the session of the government without it. I am sorry about this because you and I are members of the same clan. I have had problems of one kind or another in all the departments, but none with you. Your department is the best and there are no problems at all. Had I known that you were supposed to be a member of that commission, I would have sent someone else, and this would not have occurred."

The oil is flowing across the lake unhindered, some of it carried by the wind over the clear surface sometimes northward, sometimes southward, and some of it in specially improvised barges with a capacity up to 100 tons or so. Over the last three or four months, the shore of Lake Skadar has been turned into a construction site. Bulldozers and demolition charges which were not prevented in the National Park by any inspector for water management have cleared approach roads to the improvised ports for the small boats arriving from Albania, from which the oil is pumped. Along those roads, there were also historical monuments, even sections of bridges of what was once the Roman road from Duklja to Skadar. The government and police have handpicked trustworthy people controlling the points within range of

the border crossing Bozaj, at Plavnica, on the shore of the Bojana River. Similar ports have been built on the Albanian side, and one would say that there are no problems at all at present, that everything is going forward in the most perfect order.

Kosovo

Letter to CSCE on Human Rights Violations

AU0612101194 Pristina KOSOVA DAILY REPORT in English 5 Dec 94 No 501

[FBIS Transcribed Text] The chairman of the Prishtina-based Council for the Defense of Human Rights and Freedoms (CDHRF) in a letter addressed to the CSCE summit which commences in Budapest today. [sentence as received] Mr. Demaci called on the participants of the Summit "to take into consideration the situation in Kosovo and undertake steps to prevent brutal violation of human rights and freedoms of the Albanians of Kosovo."

Speaking of the permanent violence and repression of the Serbian police, army and paramilitary forces, the letter notes that in the first ten months of this year 14 Albanians were killed, four of them died of torture at police stations, 1,700 persons—including children, women, and elderly people—have been subjected to ill-treatment; 3,200 Albanian families have been raided on; 00 [number as received] persons arrested and some 87 other were convicted for their political beliefs, whereas some 200 are to face charges for their political beliefs; some 2,400 persons were summoned to so-called police "informative talks."

Mr. Demaci warns that while various Serbian regular police and army forces, including paramilitary ones, roam over Kosovo, Serbian civilians in Kosovo are constantly being armed with additional weaponry, "which is a 'grim omen' and may lead to the recurrence of the Bosnian scenario," Demaci said.

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